

KANSAS BOARD OF REGENTS

MINUTES

February 13-14, 2008

The February 13, 2008, meeting of the Kansas Board of Regents was called to order by Chairman 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, Chairman
Donna Shank, Vice Chairman
Jerry Boettcher
Jill Docking
Dick Hedges
Dan Lykins
Janie Perkins
Gary Sherrer
Bill Thornton

APPROVAL OF MINUTES

Regent Docking moved that the minutes of the January 16-17, 2008, meeting be approved. Following the second of Regent Perkins, the motion carried.

INTRODUCTIONS

President Michael Lane introduced Dr. Rod Sobieski, who will serve as Interim Vice President for Academic Affairs as Emporia State University conducts a search to replace Dr. John Schwenn. Dr. Sobieski will begin that role on February 25.

REPORTS

REPORT FROM CHAIR

Chairman Downey-Schmidt reported that she and Mr. Robinson gave a presentation to the Senate Ways and Means Committee shortly after the January Board meetings. More recently, she and President Robinson addressed the Senate Education Subcommittee. Earlier in the day she spoke to school board superintendents and school board members at a meeting of the Kansas Association of School Boards regarding the role of the Board of Regents, its challenges, and the importance of dialogue between the Board and the K-12 community.

The Chairman called attention to some handouts promoting two upcoming events, a women's conference at Fort Hays State University on March 28 entitled Leadership Advantage, and a Youth Leadership Academy. The youth conference trains young leaders around the state and the

upcoming session focuses on student athletes for both on and off the field experiences and is a collaborative effort with FHSU.

REPORT FROM OTHER REGENTS

Regent Thornton attended the 150th celebration at Highland Community College. He enjoyed the time with students and seeing the campus changes.

REPORT FROM PRESIDENT AND CEO

President Robinson introduced Dr. Gary Alexander, who will serve as the Vice President for Academic Affairs for the Board beginning February 18.

Mr. Robinson congratulated President Don Beggs and Wichita State University for being chosen to house the extensive collection of Gordon Parks, a renowned Kansan.

The issue of campus security plans was discussed at the January Board meeting and President Robinson reported that General Counsel Miller has developed an RFP to seek professional review of the plans. University representatives will have an opportunity to review the RFP before it is finalized.

Mr. Robinson referenced the postsecondary data base project. He learned from Dawn Ressel that Wichita State University is hosting a training session for individuals across the system regarding the collection of financial data component of IPEDS. Participants will have an opportunity to learn how to collect and provide data.

Work is continuing on the five strategic questions and the goal of building an agenda for higher education in Kansas. President Robinson distributed a draft Table of Contents created by Board staff and he updated the Board on the progress being made to move from the five questions to an agenda for action. Using the questions as a launching pad for the agenda, Mr. Robinson identified the next steps to be to 1) gather data to identify the current status regarding those questions, 2) determine the desired goal, and 3) ultimately identify how we get to that final point. He noted the importance of producing a working document with information that responds to the questions and then continuing by building strategy to address the areas identified for improvement. He proposed the timeline of having information that aligns with the data elements for initial Board consideration in April.

REPORT FROM COUNCIL OF PRESIDENTS

President Lane briefed the Board on the Council of Presidents meeting held earlier in the day. COPs received a report from the Council of Chief Academic Officers. The System Council of Chief Academic Officers discussed the benefits of a consistent system so information can be communicated in both directions, from community colleges to the universities and universities to community colleges and technical institutions. COCAO is recommending a Bio-engineering secondary major at KSU to COPs in March. COCAO discussed the teacher shortage and reported that Kansas has more than 33,000 teacher positions and there are 75,000 licensed teachers in the state but there are many vacancies in hard-to-fill disciplines such as science, math, and special education. Building management and lack of mentoring programs contribute to the vacancies and COCAO is looking at the problem areas and will consider solutions to

address the shortage. Alternative teacher certification was discussed and COCAO reported that HB 2842 provides for paper certification only. The Council will review and consider alternative avenues to meet the needs in Kansas.

The Council of Business Officers provided the following report to COPS. Work is continuing on the building insurance project with Scott Wightman. Three brokers have been identified and COBO is considering whether it is possible to identify a different deductible than the state's \$5 million deductible, and whether the deductible could be funded through the EBF fund. Eric King reviewed with COBO the recommendation to develop a sustainability policy. He recommended that the subcommittee working on updating the Facilities section of the Policy Manual be assigned to draft a policy. COBO concurred with that recommendation. COBO received a briefing from Vice President Duffy on the development of the state's new financial system. The universities will fully interface with the system for reporting and transparency purposes, but the new state system will not be the production system for state universities. COBO plans to have a recommendation in March on expanded classified leave. COBO also reported that the terms of four individuals serving on the Retirement Plan Committee will expire. The Council recommended retaining three of the individuals and asked COPS to make the determination on the representative from its council.

Moving to the Council of Presidents discussion and action, the Council voted to retain President Hammond as the representative on the Board's Retirement Plan Committee. COPS received a report on the China Study Abroad program. A one-half year option is available for a student at a cost of \$6,000 but it will use one whole slot of the 30 available for the year. President Robinson thanked the Council members for responding to him on the issue of background checks. He indicated that he will be asking them for feedback on campus implementation of the conceal and carry policy and COPS anticipates discussing that in March. President Hammond introduced a discussion on the impact of the economic stimulus package on the Kansas budget.

President Robinson elaborated on the COCAO discussion regarding community college interest in more feedback on the performance of community college students transferring to four-year institutions. Dawn Ressel will be meeting with community college leaders to identify the data elements that would be useful in that feedback process but any information shared will be subject to privacy laws.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Dr. Harvey Foyle, Chairman of the Council of Faculty Senate Presidents, reported on the meeting of the Council earlier in the day. COFSP approved a Statement on the Value of Higher Education, which will be forwarded to President Robinson for distribution to the Board. It relates to the strategic initiative question. The Statement will be shared with each respective faculty senate group and faculty members for discussion and COFSP is reviewing the strategic questions to see if there are other items under each category that might be helpful. COFSP is supportive of the five strategic questions and plans to work to build campus support. The Council will be developing a support document and it hopes to be a part of setting the agenda.

Regent Sherrer indicated that he has proposed to President Robinson that the Board have a discussion of the five strategic questions and give institutional representatives an opportunity to hear the discussion and provide input.

APPROVAL OF CONSENT AGENDA

Regent Shank moved, with the second of Regent Lykins, that the Consent Agenda be approved. The motion carried. Approvals were given to the requests listed below.

Regent Sherrer asked about the detail of the financial information provided for facilities and building projects requests, i.e. whether dollar amounts are delineated from a specific fund. Vice President Duffy reported that the information is available for Eric King, Director of Facilities, but that detail is not necessarily provided to the Fiscal Affairs and Audit Committee. Mr. King is charged with monitoring such details and may bring issues of concern to the Committee. Regent Docking expressed the Fiscal Affairs and Audit Committee's confidence in this process.

Fiscal Affairs and Audit

UNIVERSITY RESEARCH AND DEVELOPMENT ENHANCEMENT CORPORATION (URDEC) BUILDING - WSU

Wichita State University received approval to accept Phase 1 and Phase 2 of the Engineering Research Laboratory Building project. The Board's President and CEO was also authorized to act on behalf of the Board to certify the debt service to the Director of Accounts and Reports for the next five fiscal years, starting with Fiscal Year 2009.

AMENDMENT TO FY 2009 CAPITAL IMPROVEMENT REQUESTS - WSU

Approval was given to Wichita State University to amend its FY 2009 Capital Improvements Plan to include the replacement and partial realignment of a segment of the perimeter road system in the southwest portion of its campus. The estimated cost for the project is \$475,000, including engineering and contingencies. Initial planning for the work will be completed in FY 2008, and the actual construction will begin at the end of the Spring semester and completed in FY 2009. Funding for the project will come from the Parking System Maintenance and Construction Fund.

Wichita State University was also authorized to amend its FY 2009 Capital Improvements Plan to include proposed Phase V improvements to Eck Stadium/Home of Tyler Field for the Athletic Association's baseball program. The estimated cost is \$5,990,000, of which a major portion is for an indoor practice facility; other improvements include new coaches' offices, home team locker room and support spaces, team meeting room, and field level grandstand improvements. Funding for the project and all operating and maintenance costs will be from private contributions received by the WSU Foundation and funds from the WSU Athletic Association.

RAZE BUILDING #47 – OLD MULTICULTURAL RESOURCE CENTER - KU

Approval was given to the University of Kansas to seek legislative authority to raze Building # 47, the old Multicultural Resource Center. The estimated cost of razing the building is \$20,000, which will be funded with University funds. The vacated lot will be converted to additional parking.

AMEND FY 2009 CAPITAL IMPROVEMENT REQUESTS – KU

The University of Kansas received approval to amend its FY 2009 Capital Improvements request to include construction of a 43,000 square foot classroom/shop facility on the West Campus to fulfill the educational program needs of the School of Architecture. The estimated cost of the project is \$7,078,000. The cost to construct the building and all operating and maintenance costs will be funded from restricted fee funds and course fees.

The University of Kansas also received approval to amend its FY 2009 Capital Improvements request to include renovation of Smissman Hall, a facility that provides wet lab space for faculty in Pharmaceutical Chemistry and Pharmacology and Toxicology. The renovation will address expansion goals for pharmacology and toxicology, genetics, genomics and future pharmacogenomics programs. The estimated cost of the project is \$2,338,000 and will be funded with a combination of University funds, private funds and federal grant funds.

AMEND FY 2008 REHABILITATION AND REPAIR LIST – KU

Approval was granted to the University of Kansas to amend its FY 2008 Rehabilitation and Repair list to include remodeling of several rooms in Malott Hall. The estimated cost of the project is \$336,400 and will be funded with general fees and University of Kansas Center for Research Funds.

RENOVATE BRIEDENTHAL ANNEX/KUMC RESEARCH INSTITUTE - KU

The University of Kansas Medical Center received approval to renovate the recently vacated Breidenthal Research building for use as a Biomedical Entrepreneurial Research Incubator. The budget for the project is \$6,000,000 with \$5,000,000 being allocated to construction/renovation and \$1,000,000 to furnishing and equipping the facility. The project will be jointly funded by grants from the federal Department of Commerce Economic Development Administration, the Kansas Bioscience Authority, and the KUMC Research Institute. The project will be constructed under the authorization of K.S.A. 76-756. On completion, the building will be leased to start-up companies through the KUMC Research Institute and leases will provide that all direct expenses be paid by the occupants, including a surcharge for maintenance.

CONSIDERATION OF DISCUSSION AGENDA*Academic Affairs*

REQUEST FOR APPROVAL OF A PROFESSIONAL SCIENCE MASTERS (41.999) – FHSU
Dr. Roxanne Kelly, Director of Academic Services, introduced the request from Fort Hays State University to offer a Professional Science Masters degree program. She reported that both the Council of Chief Academic Officers and the Council of Presidents have endorsed the program. Regent Shank noted that the proposed program is part of the enhancement funding package budget request. FHSU is seeking approval so that advance arrangements, such as hiring, can be in place to implement the program next year.

Regent Perkins moved, with the second of Regent Thornton, that the Professional Science Masters program for Fort Hays State University be approved. The motion carried. Regent Shank emphasized that the Board's support of the program does not place a higher priority on this program than the other enhancement requests.

PHYSICAL SCIENCE AS A PART OF THE QUALIFIED ADMISSION CURRICULUM

The Board's Academic Affairs Committee (BAASC) discussed the issue of including Physical Science in the Qualified Admission high school curriculum. Regent Shank reported that some school districts favored the addition. BAASC asked the Council of Chief Academic Officers to review and COCAO unanimously recommended that Physical Science not be included. The Council's rationale included 1) Physical Science is generally an overview course that provides breadth of knowledge over depth of knowledge; 2) If Physical Science is included in the Qualified Admission courses that are allowed, rather than replacing one of the existing three science credits, it should be added as a fourth requirement; 3) Currently there is no Physical Science teaching license in the state of Kansas, which prompts the question of who would be teaching the Physical Science class and would that draw away from Chemistry and Biology; and 4) There is uniform agreement that students are not coming as prepared in science as the universities would like so lessening the requirements would seem like a step backwards.

Regent Shank reported that BAASC also reviewed the rationale for adding Physical Science to the QA curriculum. School districts reported that Physical Science is designed to meet the requirements of the State Assessment Test, which underscores the view that this is a broad-based course. Completing the QA curriculum is one way to attain admission to a university in Kansas and class rank and ACT scores are also available avenues. The percentage of students entering through the QA curriculum is only about ten percent. Regent Shank indicated that BAASC recommended not including Physical Science in the Qualified Admissions curriculum unless the Board has interest in doing so. Also, it is a topic that may be discussed by the Admissions Task Force and the P-Career Education Council may consider it.

Regent Downey-Schmidt reported feedback from a school district individual who indicated that the science section of the QPA test is comprised of 40 percent general science questions. That is another indication of the need for greater alignment between secondary and postsecondary programs.

RECESS

Chairman Downey-Schmidt announced a break at 2:20 p.m. The meeting resumed at 2:35 p.m.

*Fiscal Affairs and Audit*DISCUSS GUIDELINES FOR UNIVERSITY TUITION PROPOSALS

Regent Perkins introduced the discussion related to university tuition programs, noting that Regents are tasked with keeping tuition costs in check, as well as making sure there is sufficient funding for competitive, successful programs. She reported that the Fiscal Affairs and Audit Committee identified three ideas/approaches to establishing guidelines for university tuition proposals currently being developed. Members of the Board have been considering the tuition setting process, have looked at data, heard from institutional leaders, and from students and families. She asked Board members, followed by institutional leaders, to share their thoughts about 1) establishing a freeze on tuition; 2) setting a target range or cap on tuition increases; or 3) continuing with the process of no formal guidelines for institutional proposals.

Regents responded to the possibility of a tuition freeze for the 2008-2009 academic year. Comments reflected no support for a freeze.

The option of a target range or cap was considered next. Extensive discussion followed. Regent Docking expressed support for an informal cap, noting that Regents have been very clear in sending the message that tuition increases need to be held in check. She has a range of comfort with HEPI or HEPI plus one and favors a multi-year view for better long-range planning.

Regent Boettcher shared information charting the state contribution and tuition increases, noting tuition ownership occurred in FY 2003 and appropriations were decoupled from tuition. At that point, state support began to decrease and tuition began to increase. He suggested that the major adjustment may have already occurred and the need for larger tuition increases may have stabilized and noted that a university must be run like a business. Regent Boettcher summarized his position by presenting the following statement:

While the universities are urged to exercise political and economic restraint, the Board of Regents should not institute a cap on tuition. Rather, our universities should carefully consider current and future needs, both political and economic, so as to continue to be able to influence public opinion and outcomes. Recognizing economic limitations and the likely development over time of alternative educational systems, sharp questions will be asked by the Regents and by the public and the universities should be prepared to continuously defend their proposals.

Regent Sherrer stated that he was prepared to offer a motion establishing HEPI plus one percent as a cap. He wants higher education to be accessible and affordable for Kansas citizens and is supportive of tuition ownership. He understands that it was necessary to increase tuition and he supports how the money has been spent. However, the five-year plan for larger tuition increases extended to a sixth year and he does not support the trend of sizable increases continuing.

Regent Hedges indicated that the expectations for tuition proposals needs to be clarified and he believes that university administrations will cooperate with the guidelines established. He views the challenge as a cooperative endeavor and looks forward to having feedback from the CEOs.

Regent Lykins looked to input from students regarding increases and determined that student senates have been supporting the increases. If state funds do not keep pace, then tuition must pick up the slack and he does not support a cap that would negatively impact the students. He recognizes that the university CEOs are also concerned about tuition.

Regent Thornton stated that he was sensitive to previous comments and he is concerned that tuition costs will restrict some students. He noted that he is not excited about a cap and he looks to the presidents to bring forward proposals that demonstrate they are getting the message from the Regents.

Regent Shank noted the percentage of tuition increases over the past six years and her concerns about impact on student enrollment, citing recent declines. She already voted last May to support the KU tuition compact and continues to support that for this year. Regent Shank indicated that when the universities moved to tuition ownership, it was anticipated that universities would be picking up more of the tab than the state, if they could set tuition. She also confirmed that, for the most part, the Legislature has honored the Board's budget request the last couple of years with an increase in dollars. She wants to continue the process in place and appreciates shared governance, but proposed stepping back for a year by considering something like HEPI plus one percent

Regent Downey-Schmidt began by saying that the data reflects that tuition is up and enrollment is down. However, she stated that she has not seen data that corroborates that enrollment is down because tuition is up. She called attention to the increased avenues for pursuing college education and the cultural differences of young people today in choosing paths that don't take them directly to college following high school graduation. She stated that increased dollars from tuition must be viewed in connection with the ongoing, increased costs a university encounters. Another factor is the student who has accumulated debt for costs unrelated to higher education. She would support a freeze or cap if she has data that indicates students are not attending college because it is not affordable. She voiced support in establishing a range or target to allow universities to maintain the progress made to date, keeping in mind that this is a partnership and tuition rates need to be balanced with the state appropriation.

Regent Perkins turned next to the University chief executive officers and asked them to address the need for tuition increases. She stated that she did not favor a cap that would be restrictive. She wants both an educated workforce in Kansas and quality programs and faculty for students.

University chief executive officers were given an opportunity to respond. Chancellor Hemenway reacted to concerns that there is no plan in place for tuition. He referred to the tuition compact plan proposed by the University of Kansas and voiced support for the efforts of the University to bring a guarantee and predictability to tuition, in response to student requests. The plan calls for an increase of 6 percent or less for tuition, room and board, fees and anything attached to the students' cost. He understands the Regents' expectations regarding future

increases. He also pointed out that the universities have varying missions and there is a HEPI designation for research universities. Hannah Love, the KU Student Body President, also spoke on behalf of KU, reporting that the tuition compact was a student initiative and students were heavily involved in the tuition setting process.

President Hammond indicated that he believes Fort Hays State University has a plan, you can either charge the "customers" more or serve more people. FHSU has worked to keep tuition lower and grow the institution, while becoming more efficient. He reported that through 2006, tuition rates have increased 42 percent while in-state enrollment has increased 7.7 percent. He opined that if you establish a systemwide cap, range or goal, you destroy the university's ability to operate outside the box and if you set a policy by using a percentage, it is a disadvantage to an institution that has kept tuition low. If the Legislature does not provide adequate state funding this year, FHSU would want to use the elasticity it has been banking.

President Wefald confirmed that Kansas State University understands the message from the Regents. Dr. Wefald communicated with the Board earlier to report that KSU has another five-year plan with a proposal that would tie into a three-year rolling average with HEPI for about a 4.4 percent. The tuition increases of the past five years have moved KSU from being 10th in the Big 12 to being 9th. KSU is looking at a lower tuition for freshmen and sophomores and \$3/per credit hour more for juniors, seniors and fifth year students. Matt Wagner, KSU student body president, commented. He agreed that it is difficult for students to incur a larger cost, but that additional tuition brings excellence. In terms of a decrease in student enrollment, Matt said that decreasing high school enrollments could be a factor. He confirmed that he and the students have been supportive of the tuition decisions at KSU.

President Beggs stated that WSU is challenged in developing a tuition proposal because the University needs to know how much of the state operating grant funds will be distributed to WSU as it develops its budgetary needs. The University's revenue needs must be met so tuition can better be determined following the legislative decisions. He noted that competition is high and during the five-year plan, the state met HEPI only once, but expenses like insurance and utilities had to be addressed. He would appreciate flexibility from the Board to establish a tuition rate when the state appropriation determinations have been made.

President Lane previously communicated his opinion on a tuition cap in a letter to the Board. He addressed the expense side of the matter. Faculty at ESU are at the 90.3 percent level of midwestern regional universities average salaries and costs for high demand faculty will continue to increase. The University had to address deferred maintenance needs. He believes that HEPI plus two percent is needed to address the salary needs. The University will make a decision on the tuition request based on the merits when the funding component is determined. Courtney George, ESU student body president, noted that student leadership has been involved in the tuition determination process at most, if not all, institutions. Students who oppose the increases should share that with student leadership so that their view is heard. She also noted that tuition and fees go toward enhancement of every student's education. She believes that there is a group of students who qualify for financial aid and the group of students who do well academically who qualify for scholarship so it is the student in the middle group that bears the burden. President Lane interjected a question about flexibility in percentage rates. He has in-state, near-

state and out-of-state students and in-state and out-of-state graduate students. He asked whether he would have some flexibility in the one percent applied across the board because some graduate programs are paid for by employers and ESU might increase those slightly more.

President Bryant reported that 76 to 80 percent of Kansas high school students access postsecondary education in Kansas, which is higher than in other states. He believes that accessibility and affordability is realistic in Kansas. PSU has continued to increase enrollment, and credit hours, and has increased tuition higher than he and the University would like. PSU has tried to grow and meet the expectations of the students, such as facilities, state-of-the-art equipment, qualified faculty, housing and parking. He noted that sometimes the level of quality of life adds to a student's debt. If the Governor's budget holds, PSU is looking at about a 5 percent tuition increase. He noted that last year, the PSU tuition and fees were 80 percent of the surrounding five universities.

President Robinson commented. Looking back through the years, he observed that until the five-year plans were developed, tuition for the state universities was low and higher education was underpriced. He applauded the presidents who developed the five-year plans. He also applauded the Regents for courageously continuing to make decisions to deal with that underpriced situation. Mr. Robinson viewed the discussion as useful. He continually interacts with policymakers and tuition is always one of the topics. He considered the message from students about excellence in education to be important. Referring to a recent article in the Lawrence Journal World, he appreciated that the reporter had included many of the positive things the University of Kansas has accomplished with the recent tuition increases. The tuition dollars have added value to the state universities. He summarized that the scenario is one where Regents are speaking of a cap or range, but there is no discussion about a freeze or decrease and Regents' have expressed interest in a cap or range that would maintain the current spending level and add dollars beyond that. Some have suggested a limit of 5 or 6 percent and he compared that to a 5 percent increase in taxes, salaries or operating based and noted that all are significant. He suggested that it might be time for a pause in significant increases.

Regent Perkins thanked Board members, CEOs, and students for their comments. Regent Sherrer moved that guidelines/cap be set for tuition proposals to come in at five percent or less. Five percent is what went to the Governor and he heard comments that 5 percent will not cut into programs and would still provide for excellence. Regent Shank seconded the motion although she indicated that she would rather have the increase be 4.4 percent, but stated that she is not advocating for a policy or process change, but rather considering the economy and proposing that there be a break. Noting that the Board has already voiced support for the KU tuition proposal, Regent Downey-Schmidt moved to amend the motion to allow continued discussion and that the tuition proposals be in the 4 to 6 percent range with Regents retaining the right to make a decision based on exceptional circumstances. She wants to maintain the process for making the case for what the experiences are and maintain the partnership connection with the Legislature. Regent Lykins seconded the amendment. Discussion followed about impact on the KU tuition proposal. Regent Docking stated that she planned to vote no on the amendment because of the need for flexibility and indicated that she was prepared with a motion to bring that flexibility. Regent Downey-Schmidt withdrew her amendment and Regent Lykins withdrew his

second for the amendment. A vote was taken on the motion on the floor offered by Regent Sherrer for tuition proposals to come in at five percent or less and the motion failed to pass.

Regent Docking moved that the Board of Regents make clear its concern over the continuing rise in tuition and offer guidance to the universities that near term increases in tuition will be well below those of the recent past. Regent Boettcher seconded the motion. Discussion followed. Both Regents Sherrer and Shank expressed concern with the motion. Regent Downey-Schmidt voiced support for maintaining the process and some level of trust. The motion leaves it open for the universities to make an argument for the proposed tuition increase. Regent Perkins noted that Regents have a responsibility to the universities and students and she believes the limits have been identified. Regent Thornton stated that he could live with the motion, but if tuition proposals come in over six percent he will struggle with being supportive. A vote was taken and the motion carried.

RECESS

The February meeting of the Board was recessed at 5:05 p.m., to reconvene at 8:30 a.m. the following morning.

RECONVENE

Chairman Downey-Schmidt reconvened the February meeting at 8:30 a.m.

MEMBERS PARTICIPATING: Christine Downey-Schmidt, Chair
 Donna Shank, Vice Chair
 Jerry Boettcher
 Jill Docking
 Dick Hedges
 Dan Lykins
 Janie Perkins
 Gary Sherrer
 Bill Thornton

REPORTS

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Courtney George, Chair of the Students' Advisory Committee, reported that students participated in Higher Education Day the previous day. Students were able to speak with most of the legislators and distributed talking point cards noting strong student support for higher education in general, deferred maintenance, and the Governor's budget recommendation. The students also promoted their legislative agenda with media representatives.

Each Student Body President will be collecting feedback from their respective campus regarding Kansas Corps. The students will then be ready to work with a planning group.

President Robinson asked if the Student Body Presidents were familiar with the legislative proposal from student leaders regarding textbooks and asked whether the student group would be interested in sharing the textbook proposal with the Board to determine if a Board policy could be developed to address the matter rather than pursuing legislation. Courtney was familiar with a proposal the previous year from a KU student group, but she noted that SAC was not familiar with the provisions.

APPROVAL OF CONSENT AGENDA

Regent Perkins moved that the Consent Agenda be adopted. Following the second of Regent Docking, the motion carried. The following program proposal was authorized:

Academic Affairs

COMMUNITY COLLEGE, TECHNICAL COLLEGE, AND TECHNICAL SCHOOL REQUEST FOR APPROVAL OF CERTIFICATE AND DEGREE PROGRAMS

Wichita Area Technical College – Approval was given to a new program in Avionics Technology (CIP 47.0609) at both the certificate and the Associate of Applied Science degree (A.A.S.) levels. The degree consists of 65 credits and the certificate consists of 37 credits with a budget of \$109,000 funded through partnerships, tuition, and fees. This program is being transferred from Cowley County Community College.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

REQUEST FOR APPROVAL OF NATIONAL COLLEGE OF TECHNICAL INSTRUCTION CERTIFICATE PROGRAM IN EMERGENCY MEDICAL TECHNICIAN - PARAMEDIC

Jacqueline Johnson, Director of Private Postsecondary Education, introduced the request from National College of Technical Instruction (NCTI) to offer the certificate program on Emergency Medical Technician – Paramedic. NCTI has met the Board of Regents standards and has demonstrated that they have proper facilities, equipment, materials, record keeping systems, qualified staff and adequate space to meet the needs of students enrolling in the program. Responding to a question, Ms. Johnson reported that students would need basic and/or intermediate emergency medical knowledge before being accepted into the program. Mr. Lawson Stewart, a representative of NCTI, responded to the question about delivery of the program elsewhere in the state by stating that there are currently no plans to expand beyond Topeka. Regent Hedges moved that NCTI be authorized to offer the program of Emergency Medical Technician – Paramedic. With the second of Regent Thornton, the motion carried.

ADULT EDUCATION ANNUAL REPORT

Dianne Glass, Director of Adult Education, presented the annual report on Kansas adult education. In FY 2007, thirty-one adult education programs served more than 11,000 adult learners in more than 80 locations across Kansas. Those sites included 17 community colleges, two technical colleges, nine unified school districts, two community-based organizations, and one four-year private university. The program offers adults an opportunity for educational counseling, basic skill instruction in reading, math, writing, technology, English-as-a-second-language and pre-employability/work maturity skills, instruction/preparation for the GED test, career counseling, and transition services to move into the workforce.

Ms. Glass provided statistics for the participants noting the age, educational level of the 16 to 18-year old entering the program, ethnicity, and employment status. She also presented statistical information reflecting the educational level of entering participants, educational level of completers and a chart of outcomes of the participants, i.e. obtained employment, improved employment, obtained a GED or entered postsecondary education.

The General Education Development (GED) program is administered through the Board of Regents office and Ms. Glass briefed the Board on the progression of the GED test. The current test was introduced in 2002. The present test was developed to reflect current high school curriculum standards, as well as include content relative to the workplace and community. Ms. Glass noted that 91 percent of Kansans tested in 2007 passed the GED test, compared to 72 percent of candidates tested in the United States and Canada. She reported that Kansas now has the highest standards in the U.S. for passing the GED exam because beginning July 1, 2007, the minimum passing score was increased from 410 to 420 on all subtests of the test battery. That brings the equivalence to the level of a Kansas high school diploma.

The Kansas program has been recognized for its quality programs. Ms. Glass reported that the U.S. Department of Education named Kansas as one of the three exemplary adult education programs. Kansas has also been selected as one of four states to successfully compete for grant funding to establish a "Ready for College: Adult Education Transition Program," and was awarded \$500,000 for the two-year project. Seven community colleges will participate in the grant program and the University of Kansas Center for Research on Learning will compile the results. The grant partners will work to encourage GED completers to continue into postsecondary education, provide adults with a higher level of language arts and mathematics instruction, develop a rigorous curriculum, and identify strategies and services that will enhance the adult transition into postsecondary education.

Responding to a question about involvement of home school students, Ms. Glass reported that those students take the GED test. Another question related to teacher shortages and Ms. Glass confirmed that the adult education program experiences a 30 percent turnover of staff each year. The adult education program is gearing up to assist individuals who recently lost their jobs in Emporia due to the layoffs at the Tyson plant.

(PowerPoint Presentation Filed with Official Minutes)

*Fiscal Affairs and Audit***BOND RESOLUTION – POSTSECONDARY EDUCATIONAL INSTITUTION INFRASTRUCTURE PROGRAM**

General Counsel Julene Miller briefed the Board on the need to adopt a bond resolution to provide funds to finance all or a portion of the costs of the infrastructure projects approved by the Board at its January 16, 2008, meeting for inclusion in the Postsecondary Educational Institution Infrastructure Finance Program. Regent Docking moved that the resolution be adopted to authorize the issuance of KDFRA Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$20,000,000 plus costs and reserves, and that the Board Chair and the President and CEO be authorized to execute the Resolution, a Pledge of Revenues Agreement, and various other documents relating to the security and payment of bonds in such form as is approved by the Board's General Counsel. Following the second of Regent Boettcher, the motion carried. The following resolution was adopted:

Gilmore & Bell, P.C
01/29/2008

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 -- POSTSECONDARY EDUCATIONAL INSTITUTION INFRASTRUCTURE FINANCE PROGRAM), SERIES 2008A FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE INFRASTRUCTURE IMPROVEMENTS AT CERTAIN POSTSECONDARY EDUCATIONAL INSTITUTIONS SUPERVISED AND COORDINATED BY THE KANSAS BOARD OF REGENTS; AND AUTHORIZING THE EXECUTION OF A 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 THAT WILL PROVIDE FOR THE PAYMENT OF SUCH BONDS.

WHEREAS, the Kansas Board of Regents (the "Board", as more fully defined herein) is vested under the Constitution and laws of the State of Kansas with supervising and coordinating certain postsecondary educational institutions located within the State, specifically Washburn University, any community college established by the State and any technical college established by the State, (collectively, the "Institutions") and is authorized to perform, execute and carry out, or cause to be performed, executed and carried out, the powers, duties and obligations of the Board referenced herein in connection with the supervision and coordination thereof; and

WHEREAS, the Postsecondary Educational Institution Infrastructure Finance Program, K.S.A. 76-7,116 *et seq.* (the "PEI Act") authorizes the Board to approve certain infrastructure projects at Institutions (the "Projects") and to enter into loan agreements with such Institutions (the "Loan Agreements") to provide for financing of such Projects and the repayment by the Institutions of the principal amount of such loans; and

WHEREAS, the PEI Act authorizes the Kansas Development Finance Authority (the "Authority"), to issue revenue bonds in one or more series in an aggregate principal amount of not to exceed \$100,000,000, with not more than \$20,000,000 issued in any one fiscal year (collectively, the "Bonds") in order to finance the costs of the Projects that are approved by the Board and related reserves and financing costs; and

WHEREAS, the PEI Act further authorizes the Board to enter into a pledge agreement with the Authority to provide funds necessary for the payment of the Authority's revenue bonds issued pursuant to the PEI Act; and

WHEREAS, the Board hereby finds and determines that it is advisable that the Bonds be issued by the Authority on behalf of the Board pursuant to PEI Act. for the purpose of financing the Projects and related reserves and financing costs as hereinbefore set forth; and

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

WHEREAS, in conjunction with the issuance of the Bonds, it is necessary to authorize the execution of a Pledge of Revenues Agreement between the Board and the Authority (the "Pledge Agreement"), which contains certain covenants and provisions with respect to the pledge of revenues derived by the Board from the Loan Agreements entered into with the Institutions and from appropriations made by the Kansas Legislature pursuant to the PEI Act for repayment of the Bonds; and

WHEREAS, it is recognized that the Authority has and will incur additional expenses in relation to the issuance of the Bonds and subsequent administration and enforcement of the 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 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 Projects approved by the Board in an aggregate principal amount not in excess of the limitations described in the Act. The Bonds 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, all as may be approved by the Chair or 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 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 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 February [__], 2008.

KANSAS BOARD OF REGENTS

(SEAL)

By _____
Christine Downey-Schmidt, Chair

ATTEST:

By _____
Reginald L. Robinson, President and CEO

(Complete Project List Filed with Official Minutes)

Other Matters

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Dr. Blake Flanders, Vice President for Workforce Development, summarized the formation of the Kansas Postsecondary Technical Education Authority and its progress to date. Legislation adopted in 2007 charged the Authority with coordination of statewide planning for technical education, a review of existing and proposed programs, a review of state funding requests, development of benchmarks and accountability indicators, development of and advocacy for an annual policy agenda, and initiation of studies to maximize the resources.

According to Dr. Flanders, the Authority is currently assembling the necessary staff, reviewing data to identify gaps, shortages, and industry needs, focusing on marketing technical education, and concentrating on standards of excellence and program alignment. Additional areas to pursue will be a review of the funding model and establishment of meaningful connections throughout the state and among the institutions and communities.

Discussion followed. President Robinson noted that the Authority is a new entity and efforts are underway and will be ongoing to develop the channels of communication between the Board and

the Authority. Responding to a question about establishment of Centers of Excellence, Dr. Flanders reported that the Centers may be appropriate for some programs, but not for others. He noted that a Center may not mean exclusive rights to the delivery of educational programming, but instead the Center may take the lead role in the state for program delivery by multiple institutions. Discussion also focused on a process for Authority action to be forwarded to the Board for consideration before such actions are implemented. Dr. Flanders reported that the Authority has discussed such a process and the provisions need to be formalized.

(PowerPoint Presentation Filed with Official Minutes)

KANSAS 5-YEAR STATE PLAN FOR CAREER AND TECHNICAL EDUCATION

Vice President Flanders provided background on the request to approve the five-year plan for career and technical education. He noted that a one-year transition plan was approved by the Board of Regents last year and \$12,401,981 was allocated to Kansas for the current fiscal year. The five-year plan proposed this year can be amended, but the five-year plan is necessary for both secondary and postsecondary levels to qualify for additional federal funding through the U.S. Department of Education/Office of Vocational and Adult Education (OVAE). Dr. Flanders reported that the Technical Education Authority approved the plan at its January 22 meeting.

Dr. Flanders briefly addressed the major changes in the Plan. Those include changes in the programs of study, consolidation of the basic grant and technical preparation funding, establishment of a Reserve Fund, accountability/performance measures, and a key change, that of negotiation of performance levels with the local institutions. The program of study will focus on both secondary and postsecondary. In Kansas the distribution of federal funding provides one-half for secondary and the other one-half for postsecondary, and allocates 5 percent for administration and 10 percent for leadership.

The plan establishes a reserve fund in which 10 percent of the 85 percent of local funds will be distributed as competitive grants to support focused career and technical education (CTE) initiatives. Recipients must meet the criteria of being a rural area, an area with a high number of CTE students and an area of higher percentages of CTE students. Dr. Flanders noted that almost every area of Kansas meets those qualifications. There are accountability provisions and use of Perkins funds must be responsive to the accountability data that is collected and reported by the institution. Other accountability measures include attainment of technical skill aligned to industry-recognized standards, attainment of industry-recognized credentials (a certificate or degree), student continuance in postsecondary education or transfer to a baccalaureate degree program, student placement and retention in employment (high skill, wage and demand), military or apprenticeships, student participation in CTE programs where gender is underrepresented, and student completion of gender nontraditional CTE programs. Accountability standards will be negotiated between federal and state levels, and then between state and local levels.

Dr. Flanders responded to a question, stating that negotiations have not yet occurred at the local level but he expects institutions will want to develop comprehensive performance improvement plans addressing state benchmarks and federal benchmarks. The negotiations will be for federal funds, whereas the Performance Agreements will be for state funds. President Robinson commented that he anticipates there will be some opportunity for them to be in sync.

Regent Hedges moved, followed by the second of Regent Sherrer, that the Board approve the five-year Kansas State Plan for Career and Technical Education. The motion carried.

(PowerPoint Presentation Filed with Official Minutes)

BOARD REVIEW/CONSIDERATION OF TECHNICAL EDUCATION AUTHORITY ACTION

Regent Sherrer moved that the recommendations of the Technical Education Authority not become effective until after approval by the Board of Regents or 45 days after review by the Board of Regents, which ever comes first, and that those recommendations be presented to the Board of Regents at its meeting following the action of the Technical Education Authority. Following the second of Regent Lykins, the motion carried.

INFORMATIONAL BRIEFING REGARDING THE ROLE AND FUNCTION OF UNIVERSITY ENDOWMENTS

President Robinson called attention to recent attention directed toward university endowment funds. He introduced Dale Seuferling, President of the KU Endowment Association, who was asked to address the federal concerns that have been raised. Mr. Seuferling provided an overview of the purpose of a college and university foundation, which includes the governance structure, the gift flow with donor involvement and restrictions on gifts and how that essentially directs the management of the funds based on either the restrictions for endowments or availability for immediate expenditure. He noted that the goal of an endowment program is to achieve intergenerational equity and management of funds for the long-term benefit of the university. The spending policy plays a role in achieving that goal.

The Uniform Management of Institutional Funds Act is the law governing the spending policies and how endowments are to maintain purchasing power and the value of the funds. Due to recent federal interest in endowment associations, Mr. Seuferling expects the law will be updated to the Uniform Prudent Management of Institutional Funds Act. He indicated that the spending policy is given serious consideration to smooth any market volatility and noted that most college and university endowments have settled on using the average market value of trailing 12 quarters to address volatility and then applying a percentage spending against that with the majority ranging from 4½ to 5 percent. He proposed that the management of endowments needs to be about 20, 50 and even 100 years to maintain the intergenerational spending power.

The federal focus has viewed excess wealth in ivy league settings and Mr. Seuferling cautioned that "one size does not fit all." Basing any legislation on institutions with a sizable endowment could negatively impact institutions with smaller foundations. Universities have funds that are restricted for faculty and research only and institutions are not able to use those funds for student scholarships or tuition.

(Handout Filed with Official Minutes)]

LEGISLATIVE UPDATE

An update on the 2008 legislative session was presented by Kip Peterson, Director of Government Relations and Communications. He commented on the federal stimulus package by saying that it appears that states will not lose money in the long run. Turning to the Kansas legislative activity, work has begun on budgets and the progress is slow at this time. The House Education Budget Committee has conducted its hearings and is ready for deliberation; the Senate Ways & Means Higher Education Subcommittee has also begun its review.

Mr. Peterson provided a status report on the following measures included in the Board's legislative package: S.B. 403 – Adjustment to the Partnership for Faculty of Distinction Program Cap; S.B. 404 – Implementation of the Kansas Academy of Mathematics and Sciences; S.B. 436 – Local Option Sales Tax to Reduce Property Taxes; S.B. 415 – Deferred Maintenance Program Amendments; H.B. 2610 – SGF Payments to Eliminate Crumbling Classrooms Debt; and H.B. 2611 – University Support Staff and Classified Staff Benefits Clarification.

(Handout Filed with Official Minutes)

CEO ASSESSMENT

Regent Thornton distributed draft assessment forms for the university chief executive officers and President Robinson, which he hopes will be used in the evaluation process this year. He asked that Board members critique the forms and provide feedback to him. Chairman Downey-Schmidt commented on the draft forms, noting that the categories are the same as previously used, but the form has been expanded to define the category and provide consistency and accountability.

ADJOURNMENT

Chairman Downey-Schmidt adjourned the meeting at 10:30 a.m.

Reginald L. Robinson, President and CEO

Christine Downey-Schmidt, Chair