

KANSAS BOARD OF REGENTS

MINUTES

February 11-12, 2009

The February 11, 2009, meeting of the Kansas Board of Regents was called to order by Chairman Donna Shank 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 PRESENT:

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

AMEND AGENDA

Chairman Shank announced that the agenda would be amended to permit the Board to take action to hire a new president at Kansas State University. The agenda was renumbered accordingly.

APPROVAL OF MINUTES

Regent Docking moved that the minutes of the January 14-15, 2009, meeting be approved. Following the second of Regent Perkins, the motion carried.

INTRODUCTIONS

Chairman Shank introduced Senator Roger Reitz, a guest at the Board meeting.

APPOINT 13TH PRESIDENT OF KANSAS STATE UNIVERSITY

Chairman Shank summarized the search process undertaken to identify a new president at Kansas State University. She thanked Regent Boettcher for representing the Board on the Search Committee and President Robinson for his assistance with the process. Regent Sherrer was recognized by the Chair to read a resolution commemorating the success of the Search Committee, and he moved that the Resolution be adopted. Following the second of Regent Docking, the motion carried. The Resolution passed as follows:

RESOLUTION

KANSAS STATE UNIVERSITY PRESIDENTIAL SEARCH

Whereas, the role of the Kansas State University Presidential Search Committee was of significant importance to achieving a successful search; and

Whereas, the Committee performed in a positive and effective manner; and

Whereas, the work of the Committee provided the Board of Regents with highly-qualified candidates; and

Whereas, the result was the selection of an outstanding leader to serve as President of Kansas State University;

Therefore Be It Resolved that the Kansas Board of Regents publicly expresses its gratitude and appreciation to Committee Chairman Nelson Galle, Vice Chairman Jerry Boettcher, and to each and every member of the Committee for a job well done.

Donna L. Shank
Chairman, Kansas Board of Regents

Regent Boettcher moved that the Board of Regents formally offer the position of President of Kansas State University to Dr. Kirk H. Schulz and authorize the Board Chair to reach mutually agreeable terms for finalizing Dr. Schulz's appointment, which will be effective on or about July 1, 2009. Following the second by Regent Lykins, the motion carried.

Following remarks by Dr. Schulz, the Chairman recessed the meeting briefly to provide a media break.

REPORTS

REPORT FROM CHAIR

Chairman Shank reported that she recently attended a ceremony in which President Hammond was given the 2009 Chief Executive Leadership award from the CASE organization for District 6. She also thanked the Board and Board staff for its efforts on behalf of the KSU presidential search process and interviews.

REPORT FROM PRESIDENT AND CEO

President Robinson recognized Dr. Roxanne Kelly, former Director of Academic Services, who recently was selected as Dean of the Kaw Area Technical School, which is now affiliated with Washburn University.

According to Mr. Robinson, it appears that Kansas has been selected to receive a \$3.9 million federal grant to work on development of a P-20 database. The grant will provide an additional staff member and permit the e-transcript delivery capacity from high school to college.

Mr. Robinson announced that Chancellor Hemenway recently was awarded the American Council on Education Fellows/Fidelity Investment Mentors award, sponsored by t, recognizing his commitment to mentorship through the ACE Fellows Program. Fort Hays State University was also recently designated by the Carnegie Endowment for Advancement of Teaching as a Community Engagement Institution.

The Higher Education caucus met recently and Mr. Robinson provided them a brief report on deferred maintenance and his sense of the federal stimulus package. Governor Sebelius has appointed a task force to monitor stimulus funds, and Mr. Robinson serves on that group.

REPORT FROM COUNCIL OF PRESIDENTS

President Beggs gave a report on the Council of Presidents' meeting. The Council received a report from the Council of Business Officers related to campus building insurance policies, Federal Stimulus Package legislation, membership to the Student Insurance Advisory Committee, the Council of Faculty Senate Presidents' request related to the sixty-day waiting period for health insurance coverage, and the responses submitted by KSU, PSU, and WSU for the IRS survey.

The Council of Presidents voted to approve the COBO recommendation on appointments to the Student Insurance Advisory Council. The three representatives appointed to serve an additional three-year term (through 6/30/2012) are Carol Solko-Olliff, FHSU, Lannie Zweimiller, KSU, and Diana Malott, KU. Mary McDaniel, ESU, was named to fill the remainder of the term held by James Williams, ESU, and Ed Phillips, KUMC, was reappointed as Chair of the Committee through 6/30/2010.

The Council of Chief Academic Officers reported to COPs that Dr. Miller has shared with Vice President Alexander COCAO's interest in assisting with development of responses to the five strategic questions. Additionally, COCAO discussed the program review, advising, and accreditation processes, the Tilford Conference to be held at KU in the fall, and budget negotiations with the University Press of Kansas.

The Council of Presidents discussed funding for the Kansas Sports Hall of Fame. Council members are opposed to adding an additional fee to athletic ticket prices to support the Hall. The Council also discussed the institutional presentations to be given to the Senate Ways and Means Subcommittee.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Lydia Peele, Chair of the Students' Advisory Committee, briefed the Board on Higher Education Day. Student leaders met with legislators to explain the importance of higher education, to support the recommendation of the Admissions Task Force to advocate for Board authority to establish admission standards, and to share with them how students are impacted by the budget cuts through such things as loss of on-campus employment. Lydia thanked ESU Legislative Director Jonathan Krueger and other legislative directors for coordinating the appointments.

APPROVAL OF CONSENT AGENDA

Regent Perkins moved, with the second of Regent Sherrer, that the Consent Agenda be approved. The motion carried and the following measure received approval:

*Fiscal Affairs and Audit***SALE OF REAL PROPERTY/1043 INDIANA – KU**

The University of Kansas received authorization to sell real property located at Lots 10, 11, and 12 in Block 13, Lane's Second Addition to the City of Lawrence, Douglas County, Kansas (approximately 1043 Indiana Street). Proceeds from the sale of the property will be used to reconfigure the entrance to the University-owned parking lot adjacent to the property being sold, for building maintenance, and to raze three buildings at the Sunflower site in Johnson County and on the main campus.

CONSIDERATION OF DISCUSSION AGENDA*Fiscal Affairs and Audit***FINAL PLANS FOR THE RENOVATION OF EXISTING STUDENT HOUSING/BOWEN HALL – PSU**

Following extensive discussion related to the financial obligation connected to the adoption of the bond resolution and plans for improving the PSU housing system, Regent Sherrer moved that the Final Plans and Specifications for the renovation of Bowen Hall be approved. With the second of Regent Boettcher, the motion carried. The estimated construction budget is \$1,000,000 and will be paid through the issuance of revenue bonds.

BOND RESOLUTION/HOUSING SYSTEM IMPROVEMENT PROJECT – PSU

Regent Sherrer moved, with the second of Regent Boettcher, that the Resolution authorizing the issuance of K DFA revenue bonds in one or more series in an aggregate principal amount not to exceed \$22,000,000, plus issuance costs and reserves, be approved. The motion carried. The Chairman and President and CEO of the Board were authorized to execute the Resolution, Pledge of Revenues Agreement and other documents, as approved by the Board's General Counsel.

(Resolution Filed with Official Minutes)

BOND RESOLUTION/PARKING SYSTEM PROJECT – PSU

Regent Sherrer moved that the Resolution authorizing the issuance of K DFA revenue bonds in an aggregate principal amount not to exceed \$4,000,000, plus issuance costs and reserves, be approved, and that the Board Chair and President and CEO be authorized to execute the Resolution, Pledge of Revenues Agreement and various other documents, as approved by the Board's General Counsel. Following the second of Regent Boettcher, the motion carried.

(Resolution Filed with Official Minutes)

RECESS

The Chairman announced a recess at 3:05 p.m. The meeting resumed at 3:15 p.m.

Other MattersUPDATE RE WICHITA CENTER FOR GRADUATE MEDICAL EDUCATION

An update on the KU School of Medicine-Wichita was provided by Executive Vice Chancellor Barbara Atkinson. A search is currently underway for a new dean and Dr. Atkinson reported that interviews will be conducted in the next few weeks. The goal is to have someone hired by July 1.

Dr. Atkinson provided a briefing on KU School of Medicine-Wichita consultant's report on the relationship between the campus and the University of Kansas, the Wichita Center for Graduate Medical Education (WCGME), and the Wichita community, and she highlighted the recommendations.

Dr. Atkinson shared information related to WCGME and the efforts underway to address the financial constraints. A plan developed by KUMC would generate \$2.9 million per year for three years for a total of \$8.7 million (if fully matched) from the Kansas Bioscience Authority (KBA). Dr. Atkinson noted that the plan should support scholarly activity and also build clinical research in Wichita. Money has been designated for strategic planning and a consulting group is conducting a review.

A Physicians Workforce and Accreditation Task Force was established last session to review WCGME and Dr. Atkinson has made recommendations to the group.

The latest WCGME request calls for an increase of \$6.5 million, which would be \$4.0 million more than the Board's appeal for \$2.5 million. The Governor included \$2.5 million in the FY 2009 budget, but not FY 2010. The Board has appealed this reduction. Dr. Atkinson indicated that those funds are necessary to maintain accreditation requirements. Dr. Atkinson also indicated that Via Christi and Wesley hospitals report an ongoing \$3.0 million short-fall related to the program. Discussion followed.

(PowerPoint Presentation Filed with Official Minutes)

DISCUSS FEDERAL RESEARCH FUNDING

Chairman Shank announced that the discussion related to federal research funding would be held over to the next day.

UPDATE ON PITTSBURG STATE UNIVERSITY PRESIDENTIAL SEARCH

President Robinson reported that PSU Search Committee members are reviewing presidential candidate files. A committee meeting to review the applicants is scheduled later in the month.

UPDATE ON UNIVERSITY OF KANSAS CHANCELLOR SEARCH

The KU Search Committee has met and Committee members are working on a leadership profile document. Mr. Robinson anticipates that a Board conference call meeting will be scheduled soon to consider the document.

RECESS

The meeting was recessed by Chairman Shank at 4:10 p.m., to resume the following morning at 9:00 a.m.

RECONVENE

Chairman Shank resumed the meeting at 9:05 a.m.

MEMBERS PRESENT:

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

AMEND AGENDA

Chairman Shank announced that the discussion related to federal research funding postponed from the day before would be added to C. Other Matters as number 1, with appropriate renumbering.

REPORTS**REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS**

Dr. Larry Spurgeon, briefed the Board on discussion at the Council of Faculty Senate Presidents' meeting. He noted that the Council of Presidents and Council of Business Officers received the information related to the sixty-day waiting period for health insurance.

COFSP members reviewed the faculty morale survey completed a few years earlier and discussed the advisability of an update. The Council plans to do some preliminary work to develop objective questions that could be shared with the Board. Dr. Spurgeon also commented on previous discussion with the Board related to the fundamental question of, "What is a college degree?" COFSP would like to submit a memo related to that issue for Board's consideration as the Board's strategic plan is developed.

APPROVAL OF CONSENT AGENDA

Regent Docking moved, with the second of Regent Lykins, that the Consent Agenda be adopted. The motion carried and the following item received approval:

Academic Affairs

COMMUNITY AND TECHNICAL COLLEGES' REQUESTS FOR APPROVAL OF DEGREE PROGRAMS: ASSOCIATE OF APPLIED SCIENCE IN INFORMATION NETWORK TECHNOLOGY (CIP 11.0901) FOR PRATT COMMUNITY COLLEGE; AND ASSOCIATE OF APPLIED SCIENCE IN INDUSTRIAL SYSTEMS TECHNOLOGY (CIP 47.0303); AND IN MECHANICAL SYSTEMS TECHNOLOGY (CIP 47.0302) FOR WICHITA AREA TECHNICAL COLLEGE

Pratt Community College received approval to offer an Associate of Applied Science in Information Network Technology (CIP 11.0901)

Wichita Area Technical College was authorized to offer an Associate of Applied Science in Industrial Systems Technology (CIP 47.0303) and in Mechanical Systems Technology (CIP 47.0302).

CONSIDERATION OF DISCUSSION AGENDA*Academic Affairs***ADULT BASIC EDUCATION ANNUAL REPORT**

Diane Glass, Director of Adult Education, presented her annual report to the Board. She noted that in fiscal year 2008, thirty adult education programs were provided in Kansas to more than 11,000 Kansans. Her report included statistical information on the demographics of the adult learners served and the effectiveness and efficiency of the services provided. The report also compared the Kansas Adult Education's outcomes with its FY 2005, FY 2006, and FY 2007 outcomes and with the negotiated outcomes approved by the United States Department of Education, as required under the Workforce Investment Act of 1998.

Kansas is one of four states awarded grants for the NEXT STEP Project, and Ms. Glass provided information related to the program. Seven community colleges partner in the program designed for learners 18-24 years old, and the University of Kansas Center for Research on Learning provides the evaluation component. Statistical information on the first year outcomes as of June 30, 2008, was reported.

Discussion followed regarding the waiting lists of interested individuals, local funding component, possibility of Even Start programs, and funding designated for adult education programs that is included in school district budgets. The school district money flow question may be referred to the P-20 Council for review.

(Powerpoint Presentation Filed with Official Minutes)

Fiscal Affairs and AuditPROJECTS AND BOND RESOLUTION/POSTSECONDARY EDUCATIONAL INSTITUTIONS INFRASTRUCTURE FINANCE PROGRAM – Washburn, Community College and Technical Colleges

General Counsel Miller briefed the Board on the Postsecondary Educational Institution Infrastructure Finance Program, as authorized by the Legislature beginning in FY 2008. The legislation provided that not more than \$20 million, plus costs of issuance and reserves, be designated each year. Ms. Miller noted that a committee reviewed the applications that totaled slightly more than \$20 million and she presented the committee's recommendation for Board consideration.

Regent Hedges moved, with the second of Regent Thornton, that the recommended loans and project applications for year two of the program be approved. The motion carried and loan funds were approved as follows:

Butler County Community College	\$1,451,923
Cloud County Community College	\$ 981,104
Dodge City Community College	\$2,216,645
Highland Community College	\$ 241,100
Hutchinson Community College	\$4,178,520
Independence Community College	\$1,500,000
Johnson County Community College	\$5,293,382
Kansas City Kansas Community College	\$2,058,224
Northwest Kansas Technical College	\$ 98,261
Pratt Community College	\$ 460,000
Seward County Community College	\$1,244,000

(Institutional Projects Approved Filed with Official Minutes)

Regent Hedges moved that the bond resolution authorizing the payment of the approved infrastructure programs identified above be adopted. Following the second of Regent Thornton, the motion carried.

(Bond Resolution Filed with Official Minutes)

Other MattersFEDERAL RESEARCH FUNDING

President Wefald kicked off the discussion related to federal research funding with an update on the recent visit of Homeland Secretary Janet Napolitano to Manhattan in conjunction with the National Bio and Agro Defense facility. He also outlined the process undertaken at KSU to pursue federal research funding.

President Robinson continued the discussion by calling attention to the value of having the Council of Presidents and Board members interact regarding the work underway by the

institutions, especially the research universities and explore options available to capture federal research dollars. He noted that there has been a decline in federal dollars available since 2000 and, due to the shifting environment, he suggested that relying on earmarks for awards may not continue to be effective.

The other university chief executive officers addressed the topic, calling attention to areas where there is faculty expertise and opportunities where expertise from other institutions has been included. Regent Sherrer asked if there were ways that the existing process could be strengthened, perhaps with the inclusion of the Board Chair in the process, and President Lane reported that ESU would benefit from assistance because the University does not have adequate grant writing infrastructure. It was also noted that the mission of the institution plays a role in grant pursuit, and faculty at regional institutions have full teaching loads with no research provisions. The topic may be revisited during the Board's retreat.

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Vice President Blake Flanders reported that Authority members recently met with legislators to discuss efficiency efforts. At its recent meeting, Authority members heard a presentation regarding resolution of access issues through Kan-ed services. Students participating in the Skills USA program visited the Authority meeting in recognition of Career and Technical Education month. Dr. Flanders stated that several of the students are completing courses at Fort Scott Community College through the Harley Davidson program and will continue postsecondary education at Pittsburg State University, an example of the seamlessness now available.

LEGISLATIVE UPDATE

A status report on the Board of Regents legislative initiatives was provided by Kip Peterson, Director of Government Relations and Communications. Those measures include: S.B. 8 – KUMC Tort Claims; S.B. 9 – State University Capital Improvements; S.B. 11 – Community College Property Ownership; H.B. 2003 – Technical Education Statutory Clean-Up; H.B. 2004 – Regents Mandatory Retirement Plan Amendments; H.B. 2005 – Kan-ed Funding; H.B. 2006 – State University Reimbursement of Moving Expenses; H.B. 2007 – State University Tuition Waivers; and H.B. 2197 – State University Admissions. Mr. Peterson also commented on S.B. 176, a measure that would establish an elected Board of Regents.

Vice President Diane Duffy briefed the Board regarding the budget. The conference committee has reached agreement on the 2009 budget and \$804 million is included for State General Fund higher education, a decrease of 4.25 percent from the amount appropriated for FY 2009. She also shared the several scenarios that have been proposed for the FY 2010 budget. An updated table reflecting appropriations from the State General Fund, Economic Development Initiatives Fund, Educational Building Fund and Expanded Lottery Act Revenue Fund was distributed.

(Legislative and Budget Handouts Filed with Official Minutes)

ADJOURNMENT

Chairman Shank adjourned the meeting at 11:40 a.m.

Reginald L. Robinson, President and CEO

Donna L. Shank, Chair