

KANSAS BOARD OF REGENTS

MINUTES

May 20-21, 2009

The May 20, 2009, meeting of the Kansas Board of Regents was called to order by Chairman Donna Shank 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 PRESENT: Donna Shank, Chairman
Jill Docking, Vice Chairman
Jerry Boettcher
Christine Downey-Schmidt
Dick Hedges
Dan Lykins
Gary Sherrer
Bill Thornton

MEMBERS ABSENT: Janie Perkins

APPROVAL OF MINUTES

Regent Sherrer moved that the minutes of the April 15-16, 2009, meeting and special meeting on May 1, 2009, be approved. Following the second of Regent Downey-Schmidt, the motion carried.

REPORTS

REPORT FROM CHAIR

Chairman Shank thanked Regents for participating in the various commencement ceremonies and thanked university staff for their hospitality on behalf of Board members.

Continuing her recognition of the three university chief executive officers who will be retiring, Chairman Shank shared information that highlighted the growth of the three institutions during the tenure of Chancellor Hemenway, President Wefald, and President Bryant.

REPORT FROM PRESIDENT AND CEO

President Robinson thanked Pittsburg State University for hosting Regent Shank and Hedges, along with him, during a campus celebration to welcome Dr. Steve Scott as the University's new President.

Mr. Robinson reported that Dr. Blake Flanders, Vice President for Workforce Development, was recently named to serve on the National Association of Manufacturing Education Council. He also reported that the Board of Regents is eligible to receive a grant of almost \$800,000 from the

U.S. Department of Education's Office of Vocational Adult Education and the U.S. Department of Labor. The Board office will partner with the Department of Commerce to administer the program, which will enhance opportunities for adult learners.

Calling attention to recent concern about the H1N1 flu virus, Mr. Robinson noted that Brad Williams and Vanessa Lamoreaux have been designated as points of contact for the Board office and universities have shared information about procedures in place in the event of an alarm. Although the level of concern has dropped, Mr. Robinson cautioned that the issue could resurface at a later date, as happened in the 1918 epidemic that is often referenced.

The 2009 legislative session is over and Mr. Robinson thanked all those who helped prevent deeper budget cuts by making legislative contacts.

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

The report from the System Council of Presidents' meeting was given by President Beggs. Information was provided by the System Council of Chief Academic Officers regarding its upcoming retreat scheduled for this summer. SCOCAO discussed alignment of performance contracts with the five questions included in the strategic agenda.

The System Council of Business Officers reported that it has been meeting monthly by conference call. President Reggie Robinson briefed the Council on the budget and Omnibus bill provisions.

APPROVAL OF CONSENT AGENDA

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

Academic Affairs

REQUEST FOR ADDITIONAL DEGREE GRANTING AUTHORITY FOR ART INSTITUTES INTERNATIONAL KANSAS CITY FOR AN ASSOCIATE OF APPLIED SCIENCE BAKING AND PASTRY ARTS

The Art Institutes International Kansas City received approval to offer an Associate of Applied Science Baking and Pastry Arts degree program with the degree being awarded at its Overland Park campus.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

STATE BUDGET UPDATE FROM SECRETARY OF ADMINISTRATION DUANE GOOSSEN

Duane Goossen summarized the Kansas fiscal situation by going back to the beginning of FY 2009. A decrease in revenue prompted a reduction in FY 2009 appropriations and Mr. Goossen

reported that this is the third year in a row where Kansas has planned to spend more than it is taking in. He cautioned that the FY 2010 budget plan anticipates that 2010 will end with a zero balance. He indicated that guidance for implementing the FY 2010 budget and development of FY 2011 budgets will come in mid-July, after reviewing incoming revenue.

POSTSECONDARY EDUCATION BUDGET UPDATE (FY 2009-FY 2010)

Vice President Diane Duffy provided a budget update for FY 2009 and FY 2010. She noted that three budget bills were enacted this session: the rescission bill, mega appropriations bill, and omnibus appropriations bill. The FY 2009 SGF reduction for postsecondary educational institutions was 4.25% less than the original FY 2009 appropriation and FY 2010 is 9.9% less than the FY 2009 original appropriation.

(Summary Appropriations Memo and FY 2009/FY2010 Appropriation Table Filed with Official Minutes)

FY 2011 DEVELOPMENT OF THE UNIFIED BUDGET REQUEST

In view of current budget uncertainties, Vice President Duffy recommended that revenues be monitored through the summer and then discuss FY 2011 budget development during the Board's August Retreat.

Other Matters

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Vice President Blake Flanders reported that the Authority is continuing its efforts to develop a new funding approach for technical education. Board staff has been building a cost model for technical education that focuses on program instructor costs, along with extraordinary and indirect cost components. A timeline will be established to seek approvals from the various entities, including the Board of Regents.

The Authority expressed support for House Bill 2374, a measure that extends benefits to unemployed individuals participating in approved training programs and shared work programs. Such programs provide income for the employee and a highly skilled workforce for the employer.

Dr. Flanders noted that progress is being made with the marketing website. It is focused on technical careers but over time will migrate to the entire system.

RECESS

Chairman Shank announced a recess at 2:45 p.m. The meeting resumed at 3:10 p.m.

EXECUTIVE SESSION

At 3:10 p.m., Regent Docking moved, followed by the second of Regent Sherrer, that the Board of Regents recess into executive session for approximately one hour to discuss personnel matters of non-elected personnel, the annual assessment of President Don Beggs. Participating in the

executive session were members of the Board, President Reggie Robinson, and President Beggs. At 4:10 p.m., the meeting returned to open session.

EXECUTIVE SESSION

At 4:20 p.m., Regent Docking moved, with the second of Regent Thornton, that the Board of Regents recess into executive session for approximately one hour to discuss personnel matters of non-elected personnel, the annual assessment of President Robinson. Participating in the executive session were members of the Board and President Robinson. At 5:20 p.m., the meeting returned to open session.

RECESS

The Chairman recessed the meeting at 5:20 p.m., to resume the following morning at 9:30 a.m.

RECONVENE

The meeting was reconvened at 9:35 a.m.

MEMBERS PRESENT:

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

MEMBER ABSENT:

Janie Perkins

INTRODUCTIONS

Chanellor Robert Hemenway introduced Mason Heilman, new student body president, and Lisa Wolf-Wendel, new Faculty Senate President, at the University of Kansas. He expressed appreciation to Adam McGonigle, outgoing student body president, and Nancy Kinnersley, outgoing Faculty Senate President.

Dr. Joan Hunt was introduced by the Chancellor. Dr. Hunt is Vice Chancellor for Biomedical Research Infrastructure at the University of Kansas Medical Center and she briefed the Board on the renewal of the \$18 million Kansas Idea Network for Biomedical grant.

President Don Beggs introduced Zach Gearhart, who was re-elected as the Wichita State University Student Government President. He also introduced Deborah Soles, new Faculty Senate President at WSU, and thanked Dr. Larry Spurgeon for serving this past year as Faculty Senate President.

Recently elected individuals from Emporia State University were introduced by President Michael Lane. Liz Coffey is Vice President for the Associated Student Government. Dr. Carol Russell will serve as Faculty Senate President and Dr. Joella Mehrhof is First Vice President. Dr. Lane acknowledged the efforts this past year of student president Angela Blaufuss and Amy Sage Webb, Faculty Senate President.

President Ed Hammond introduced new Faculty Senate President, Dr. Jeff Burnett, and Dr. Rita Hauck, Faculty Senate Vice President. Bradley Stramel, Student Government Association President, and Tyler Thompson, SGA Vice President, were also introduced. Dr. Hammond expressed appreciation to outgoing Faculty Senate President Dr. Kenneth Trantham, and Tyler Hughes, Student Government President.

AMEND AGENDA

Chairman Shank amended the agenda to add an executive session to the end of the Thursday agenda.

REPORTS

REPORT FROM COUNCIL OF PRESIDENTS

President Beggs briefed the Board on the Council of Presidents meeting held the previous day. COPs received a report from the Council of Chief Academic Officers including the following topics: 1) Policy change regarding the academic calendar year, which COPs voted to approve; 2) Discussion related to legislative post audit concerns. COPs discussed the issue and Board staff is working with Legislative Post Audit to address; and 3) COCAO is working to align the Board strategic questions with the institutional performance agreement goals. COCAO expects to provide feedback in June.

The Council of Business Officers reported to COPS about a discussion with the Kansas Development Finance Authority regarding the potential need for different credit enhancements to qualify for improved bond ratings. In that regard, COBO discussed the potential for Board policy that would help for future planning. Other COBO topics were setting of tuition rates and inclusion of university foundations in financial statements.

The Council of Presidents approved the request from Emporia State University to offer a B.S. in Finance. Additionally, COPs received a report from the Kansas Campus Compact.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Dr. Larry Spurgeon reported that the Council of Faculty Senate Presidents met with incoming members and discussed Council activities during the past year. Vice President Alexander met with COFSP to discuss information flow. In summarizing topics addressed during the year, Dr. Spurgeon identified the sixty day health insurance waiting period, faculty input survey, summer role regarding learner outcomes, and tuition waiver for dependents.

Chairman Shank presented a certificate of appreciation to Dr. Spurgeon for serving as Chair of the Council of Faculty Senate President this year.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

In the absence of SAC Chair Lydia Peele, the report from the Committee was given by Zach Gearhart, Vice Chair. SAC elected new officers for the upcoming year. Dalton Henry, KSU, will serve as Vice Chair and Zach will be the Chairman. The Committee will meet in June to set its goals for the year.

APPROVAL OF CONSENT AGENDA

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

*Academic Affairs***REQUEST FOR APPROVAL OF A BACHELOR OF SCIENCE IN WILDLIFE AND OUTDOOR ENTERPRISE MANAGEMENT - KSU**

Kansas State University received approval to offer a Bachelor of Science in Wildlife and Outdoor Enterprise Management. The program will be funded through internal reallocation.

*Fiscal Affairs and Audit***FINAL PLANS FOR NEW STUDENT HOUSING/PARKING – PSU**

Approval was given to Pittsburg State University for the Final Plans and Specifications for the New Student Housing and associated parking project, contingent on the review and approval of the Director of Facilities. The estimated project budget is \$10,650,000 and will be paid for with bond revenue. Future maintenance and operating costs will be paid from housing revenue.

LEASE AGREEMENT BETWEEN KU ENDOWMENT ASSOCIATION AND THE UNIVERSITY OF KANSAS – KU

The University of Kansas received approval to enter into a lease agreement with the KU Endowment Association for a building to be used by the School of Architecture and Urban Planning. The KU Endowment Association will advance up to \$2.0 million for the acquisition of the building, which will be leased to the University in an amount sufficient to amortize the cost over ten years at an interest rate of prime plus one percent adjusted annually. The School of Architecture and Urban Planning Course fee of \$15 per credit hour will be used to support the lease and the operations of the facility. The property will be transferred to the University upon completion of the lease.

FINAL PLANS FOR BREIDENTHAL RENOVATIONS – KUMC

The University of Kansas received approval of final plans and specifications for the renovation of the Breidenthal building by the KUMC Research Institute as a biomedical entrepreneurial research incubator facility.

The budget for the project is \$6,000,000 with \$5,000,000 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. Once the renovation is completed, the building will be leased to start-up companies through the KUMC Research Institute and the leases will provide that all the direct expenses be paid by the occupants, including a surcharge for maintenance.

LEASE AGREEMENT BETWEEN ESU FOUNDATION AND EMPORIA STATE UNIVERSITY – ESU

Emporia State University received approval to lease property from the Emporia State University Foundation on a no-fee basis. The agreements are for the following specific properties:

Wetlands – Property of 161 acres of unimproved wetlands in Chase and Morris Counties:

Lots 17 and 18, Township 19 South, Range 8 East, Chase County, Kansas, and Section 13, Township 17 South, Range 9 East, Morris County, Kansas.

Sara Howe Natural Area – Unimproved property of 11.6 acres in Lyon County:

Northwest ¼ of northwest ¼ of the northeast ¼ of Section 26, Township 17S, Range 12E, of the 6th Principal Meridian, Lyon County, Kansas.

Charles Coughlen – Unimproved property of 44.2 acres in Lyon County:

Northwest ¼ of northwest ¼ of Section 17, Township 20S, Range 10E, or the 6th Principal meridian, Lyon County, Kansas.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

Vice President Alexander introduced Dr. Jean Redeker, newly appointed Director of Academic Affairs in the Board office.

REQUEST TO SEEK ACCREDITATION: B.A., M.ED. PROGRAMS IN SPORT MANAGEMENT – WSU

Regent Sherrer moved that Wichita State University be authorized to seek accreditation from the Commission on Sport Management Accreditation for its B.A. and M.Ed. degree programs in Sport Management. Following the second of Regent Hedges, the motion carried.

PROGRAM REVIEW REPORT

Vice President Alexander presented the reports for state university program review, academic advising, and accreditation. Dr. Alexander noted that Board staff will review the program review process and report back to the Board in November with a process that will condense the amount of documentation included in the three reports.

Regent Sherrer moved that the Board accept the report this year, with the expectation that changes will be made to the report next year. Following the second of Regent Downey-Schmidt, the motion carried.

Fiscal Affairs and AuditAMENDED BOND RESOLUTION

General Counsel Julene Miller introduced the requests to amend four bond resolutions previously approved by the Board. She noted that the resolutions previously adopted specified that all debt service and costs of the issuance would be paid from revenues generated by each respective auxiliary enterprise. However, due to recent economic challenges and changes related to availability of bond insurance, the Kansas Development Finance Authority and Bond Counsel have indicated that providing additional credit enhancement will result in the bonds having a higher rating and being more marketable. A supplemental agreement would provide that the university will cover any debt service with other available resources, if necessary. Discussion followed.

STUDENT HEALTH CENTER PROJECT - PSU

Regent Docking moved, with the second of Regent Boettcher, that the Board adopt the amended bond Resolution for the Pittsburg State University Student Health Center Project. The motion carried.

(Resolution Filed with Official Minutes)

AMENDED BOND RESOLUTION/HOUSING SYSTEM IMPROVEMENT PROJECT – PSU

Regent Docking moved that the Board adopt the amended bond Resolution for the Pittsburg State University Housing System Improvement Project. Following the second of Regent Boettcher, the motion carried.

(Resolution Filed with Official Minutes)

AMENDED BOND RESOLUTION/PARKING SYSTEM PROJECT – PSU

Regent Docking moved, with the second of Regent Thornton, that the Board adopt the amended bond Resolution for the Pittsburg State University Parking System Project. The motion carried.

(Resolution Filed with Official Minutes)

AMENDED BOND RESOLUTION/CHILD CARE FACILITY – KSU

Regent Docking moved, followed by the second of Regent Downey-Schmidt, that the Board adopt the amended bond Resolution for the Kansas State University Child Care Facility Project. The motion carried.

(Resolution Filed with Official Minutes)

CAPITAL IMPROVEMENT REQUESTS FOR FY 2011 – STATE UNIVERSITIES

Director of Facilities Eric King presented a summary of capital improvement projects submitted by the state universities and a staff recommendation for allocation. Mr. King noted that sustainability issues are a part of the architectural and Board staff reviews. Regent Boettcher moved that the staff recommendation identified in Table 2 be adopted. Following the second of Regent Sherrer, the motion carried.

(Table of Approved Projects Filed with Official Minutes)

FEDERAL AMERICAN RECOVERY ACT OF 2009 (ARRA) FUNDS – STATE UNIVERSITIES

Mr. King reported that approximately \$7.75 million will be available from the Federal American Recovery Act of 2009 for deferred maintenance projects. The adjusted gross square footage formula was used to determine institutional share and universities submitted project proposals to be funded through the ARRA funds. Mr. King noted that staff reviewed those proposals. Regent Hedges moved that the recommended projects be authorized for funding through ARRA. With the second of Regent Thornton, the motion carried.

(List of Authorized Projects Filed with Official Minutes)

RECESS

The Chair announced a recess at 10:50 a.m. The meeting resumed at 11:05 a.m.

JOHNSON COUNTY EDUCATION RESEARCH TRIANGLE BUDGETS – KSU & KU

Information was provided by the University of Kansas Medical Center, Edwards Campus, and the K-State Olathe Innovation Campus to support the budget requests for the Johnson County Education Research Triangle (JCERT). Regent Boettcher moved, with the second of Regent Hedges, that the Board adopt the budgets for JCERT program. The motion carried.

(Budget Documents Filed with Official Minutes)

NEW BUILDING PROGRAM STATEMENT/JOHNSON COUNTY EDUCATION RESEARCH TRIANGLE – KSU

Dr. Dan Richardson, Chief Executive Officer, K-State Olathe Innovation Campus, provided background information on the Preliminary Program Statement for the National Food Safety and Animal Health Institute in Olathe, a part of the JCERT project. Regent Hedges moved that the Program Statement be accepted. Following the second of Regent Thornton, the motion carried.

FY 2010 APPROACH TO TUITION AND FEES/UNIVERSITY PRESENTATIONS

Institutional representatives presented tuition proposals for the FY 2009 academic year. Following those presentations, Board members provided feedback on their level of comfort with the proposed increases. The Board will act on the proposals at its June meeting.

(Institutional Tuition Proposals Filed with Official Minutes)

Other MattersPROCLAMATION/10TH ANNIVERSARY OF AGREEMENT BETWEEN FHSU AND SILAS INTERNATIONAL UNIVERSITY, CHINA

Regent Boettcher moved that the Board adopt a Proclamation recognizing the 10th anniversary of the Agreement between Fort Hays State University and the Sias International University in China. Following the second of Regent Lykins, the motion carried. The proclamation is as follows:

WHEREAS, the Kansas Board of Regents is the governing body for all state-supported universities, and the state coordinating body for all public community colleges and technical colleges in the State of Kansas in the United States of America;

WHEREAS, Fort Hays State University is one of the universities governed by the Kansas Board of Regents;

WHEREAS, Sias International University entered into an agreement with Fort Hays State University in 1999 and began offering courses leading to a bachelor's degree in the year 2000 and has successfully offered courses every year since;

WHEREAS, the Ministry of Education of the People's Republic of China granted permission in 2000 for Fort Hays State University to be the first baccalaureate university to offer a joint degree in the nation of China;

WHEREAS, Sias International University and Fort Hays State University have graduated 2,500 students with Bachelor of General Studies and students are now successfully employed or seeking advanced graduate education in China, the United States, including Kansas universities, or other countries;

WHEREAS, Sias International University and Fort Hays State University are now also offering courses leading to Bachelor of Business Administration, Bachelor of Science and Bachelor of Arts degrees;

WHEREAS, Dr. Edward H. Hammond has presented diplomas and has shaken the hands of all graduates from the joint degree program with the power invested in him by authority of the Kansas Board of Regents;

WHEREAS, at least one representative of the Kansas Board of Regents has attended the Sias graduation every year since the beginning of the partnership with Sias International University;

WHEREAS, the Kansas Board of Regents is very pleased and impressed with the quality of education conducted on the campus of Sias International University;

THEREFORE, the members of the Kansas Board of Regents hereby express their unified voice of enthusiasm and congratulations to Dr. Shawn Chen, Chairman of the Board of Sias International University, and all administrators, faculty and staff of this first private university in China to be owned and operated by a Chinese-American to offer a joint bachelor's degree with a university in the United States of America.

UPDATE ON UNIVERSITY OF KANSAS CHANCELLOR SEARCH

President Robinson Reported that the Search Committee has been intensively engaged with specific candidate files. He expects that the Committee will very soon be giving its recommendations to the Board.

EXECUTIVE SESSION

At 1:30 p.m., Regent Docking moved, followed by the second of Regent Lykins, that the Board recess into executive session to discuss matters deemed confidential in the attorney-client relationship, specifically to obtain legal advice from the Board's General Counsel regarding threatened litigation and other legal matters. Participating in the executive session were members of the Board, President Robinson, and General Counsel Miller. At 1:55 p.m., the Board returned to open session.

ADJOURNMENT

The Chairman adjourned the meeting at 1:55 p.m.

Reginald L. Robinson, President and CEO

Donna L. Shank, Chair