

KANSAS BOARD OF REGENTS

MINUTES

August 12-14, 2014

The Kansas Board of Regents Annual Retreat was called to order by Chairman Kenny Wilk at 1:00 p.m. on August 12, 2014. The retreat was held at The Barn Bed and Breakfast Inn, 14910 Blue Mound Road, Valley Falls, Kansas. Proper notice was given according to law.

MEMBERS PRESENT:

- Kenny Wilk, Chairman
- Shane Bangerter, Vice Chairman
- Joe Bain
- Ann Brandau-Murguia
- Bill Feuerborn
- Fred Logan
- Robba Moran
- Zoe Newton
- Helen Van Etten

FORESIGHT 2020

President Tompkins presented a progress report on Foresight 2020. He stated the Board began to study more broadly issues that would affect the future of higher education in 2009. By 2010 the Board adopted its first strategic plan for the higher education system which contained six goals. Over the years those six goals have been revised to three goals to gain clarity and focus. The three current goals of Foresight 2020 are: 1) Increase higher education attainment among Kansans, 2) Improve alignment of the state's higher education system with the needs of the economy, and 3) Ensure state university excellence. Since Foresight 2020 was adopted, three annual progress reports have been given. Under Goal One, President Tompkins reviewed enrollment, retention rates, and graduations rates. He stated the Attainment Model was created to help the Board more accurately determine quantitatively the certificate and degree pathway required to achieve the goal of having 60 percent of Kansans with a certificate or degree by 2020. This model projects that the system will need to award 53,000 credentials annually to attain this goal. Currently the system is awarding 40,636 credentials per year. He also noted the Student Success Index captures the mobility of students and allows institutions to monitor the success of students who are retained and/or complete elsewhere in the system by using both retention and graduation across institutions in determining success.

President Tompkins stated the universities and colleges continue to make advancements on Goals Two and Three. Progress is being made on the nursing and engineering initiatives to meet workforce needs along with the Kansas economy. The number of STEM certificates and degrees continue to exceed the regional average. He also noted last March the Board received a report on Dr. Ginther's research on the relationship between field of study and occupational placement and earnings. On Goal Three the universities continue to set new records in philanthropic giving and continue to see increases in overall research dollars awarded. Additionally, President Tompkins reported that the Lumina Foundation and Complete College America have identified common strategies to leverage student success in college attainment. These new strategies include

performance funding, co-requisite remediation, time and intensity, guided pathways to success, and structured schedules.

(PowerPoint filed with Official Minutes)

KANSAS BOARD OF REGENTS STAFF REVIEW OF KEY ISSUES IN FY 2015

Legal

General Counsel Julene Miller stated the General Counsel's Office will work with the Governance Committee on the university CEO Compensation policy, the next steps regarding the concealed carry legislation, the merger between Fort Hays State University and Dodge City Community College, and the CEO assessments. She noted this year the Board will conduct a 360 survey on each of the CEOs except for the new President at Fort Hays State University. Additionally, legal will assist the Academic Affairs unit with the application and implementation of the State Authorization Reciprocity Agreement (SARA).

Finance and Administration

Diane Duffy, Vice President of Finance and Administration, reported that Finance will work with the Fiscal Affairs and Audit Standing Committee on executing the new capital finance/debt policies, which were adopted by the Board last year. Additionally, her unit will work with the Board to develop the FY 2016-2017 operating and capital improvement appropriation requests. The Board discussed whether the universities should report either quarterly or biannually on their budgets. The Fiscal Affairs and Audit Committee will continue to discuss this matter. Regent Wilk acknowledged Vice President Duffy's resignation and thanked her for her service to the Board and the State of Kansas.

Academic Affairs

Gary Alexander, Vice President of Academic Affairs, stated the key areas in Academic Affairs for FY 2015 include Credit for Prior Learning, the State Authorization Reciprocity Agreement (SARA), and Remediation. He noted the Academic unit will be working with the Board Academic Affairs Standing Committee on each of these topics. Regent Logan noted that last year one of the Board's goals was to approve 13 additional general education courses for transfer and articulation. He would like the Board to take the next step and direct the Transfer and Articulation Council to look at program specific courses for transfer. He believes that since the Transfer and Articulation Council's Quality Assurance Subcommittee is making progress, the institutions should be able to identify one or two programs to establish degree pathways.

Workforce Development

Blake Flanders, Vice President of Workforce Development, reviewed Workforce Development's key issues for FY 2015. His unit continues to work on the Accelerating Opportunity Kansas initiative, which utilizes a career pathway model to deliver simultaneous instruction in career technical education and basic skills for underprepared adults. He gave an update on the success of SB 155 and reviewed the Outcome Metrics Pilot Project. Additionally, he will be working with the steering committee that was established for the Fort Hays State University and Dodge City Community College merger. He noted the committee is working on a merger plan, and they hope to present it to the Board by December.

(PowerPoint filed with Official Minutes)

BREAK

The Chairman called for a break at 3:30 p.m. and resumed the meeting at 3:45 p.m.

COMMUNITY AND TECHNICAL COLLEGE LEADERS

Regent Wilk thanked the two-year college representatives for attending. The following presidents represented the community colleges: President Carl Heilman, Barton Community College; President Danette Toone, Cloud County Community College; President Joe Sopcich, Johnson County Community College; and President Steve Vacik, Colby Community College. Representing the technical colleges were President Ed Mills, Northwest Kansas Technical College, and President Eric Burks, North Central Kansas Technical College. The presidents discussed advancing educational attainment. The community colleges would like to see more collaboration and communication within the system, and the community colleges feel there needs to be a better understanding of what coordination means. With regard to transfer and articulation, the two-year institutions are interested in moving forward with program specific courses. The presidents believe the process can start by identifying a program that already has an articulation agreement between community colleges and universities. Additionally, the two-year college presidents discussed performance based funding. They think for it to work the institutions need to be on the same page with the same objectives. It was also noted that any standards regarding performance base funding should be applied prospectively.

RECESS

Chairman Wilk recessed the meeting at 5:15 p.m.

RECONVENE

The Chairman reconvened the meeting at 8:45 a.m. on Wednesday, August 13.

MEMBERS PRESENT:

- Kenny Wilk, Chairman
- Shane Bangerter, Vice Chairman
- Joe Bain
- Ann Brandau-Murguia
- Bill Feuerborn
- Fred Logan
- Robba Moran
- Zoe Newton
- Helen Van Etten

PERFORMANCE BASED FUNDING

Dr. Dennis Jones, President of the National Center for Higher Education Management Systems, gave a presentation on performance based funding. Also participating in the discussion were Representative Gene Suellentrop, Representative Marvin Kleeb, Representative Jerry Henry, Senator Ty Masterson, Senator Tom Arpke, Senator Steve Abrams, Senator Laura Kelly, the State Budget Director, Shawn Sullivan, and the Governor's Chief of Staff, Landon Fulmer. Regent Wilk began by reviewing the Board's three Foresight 2020 goals: 1) attainment, 2) alignment, and 3)

excellence. These goals could be used as the driving force for performance based funding. Dr. Jones reviewed the different models that other states have implemented. Some design principles of funding models include promoting mission differentiation, constructing performance metrics so that all institutions have an opportunity to benefit by excelling at their different missions, rewarding success in serving underserved populations, and using metrics that are unambiguous and difficult to game. Dr. Jones also discussed implementation principles which included: 1) making the performance funding pool large enough to command attention, 2) being inclusive in the development process, 3) rewarding continuous improvement, 4) including a phase-in provision, 5) employing a stop-loss/gain, and not hold-harmless provisions, 6) continuing performance funding in both good times and bad, and 7) putting in place a rigorous (performance-based) approach to assessing quality and monitoring results on an ongoing basis.

BREAK

Chairman Wilk called for a break at 10:20 a.m. and resumed the meeting at 10:30 a.m.

The Board and the legislative leaders discussed performance based funding and the desired outcomes. The Legislators stated the Board's three goals in Foresight 2020 seem appropriate, but they would like more information. Regent Logan stated that any plan that is developed needs to be transparent. It should also include the following: 1) be broad-based to be sustainable, 2) have standards that apply to one or all of the three goals in the Board's strategic plan, 3) be forward looking, 4) be phased in on a reasonable basis, and 5) include a stop-loss provision. Representative Kleeb suggested that the Board start with a very targeted approach and other also shared this sentiment. Regent Wilk stated the Board staff will draft a paper on performance based funding using the principles Regent Logan outlined.

(PowerPoint filed with Official Minutes)

BREAK

The Chairman called for a break at 12:06 p.m. and resumed the meeting at 1:00 p.m.

THREE-PERSON BOARD COMMITTEES

Each of the university CEOs met with their assigned three-person committee.

At 1:05 p.m., Regent Van Etten moved, followed by the second of Regent Murguia, to recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Murguia, Regent Van Etten, Regent Newton, and President Bardo. At 1:25 p.m., the meeting returned to open session.

At 1:05 p.m., Regent Logan moved, followed by the second of Regent Bangerter, to recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Logan, Regent Bangerter, Regent Bain, and President Martin. At 1:25 p.m., the meeting returned to open session.

At 1:05 p.m., Regent Wilk moved, followed by the second of Regent Moran, to recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel.

Participating in the executive session were Regent Moran, Regent Wilk, Regent Feuerborn, and President Shonrock. At 1:25 p.m., the meeting returned to open session.

At 1:30 p.m., Regent Van Etten moved, followed by the second of Regent Murguia, to recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Murguia, Regent Van Etten, Regent Newton, and President Scott. At 1:50 p.m., the meeting returned to open session. Regent Van Etten moved to extend 5 minutes, and Regent Murguia seconded. The motion carried. At 1:55 p.m., the meeting returned to open session.

At 1:30 p.m., Regent Logan moved, followed by the second of Regent Bangerter, to recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Logan, Regent Bangerter, Regent Bain, and President Schulz. At 1:50 p.m., the meeting returned to open session.

At 1:25 p.m., Regent Wilk moved, followed by the second of Regent Moran, to recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Moran, Regent Wilk, Regent Feuerborn, and Chancellor Gray-Little. At 1:45 p.m., the meeting returned to open session.

UNIVERSITY OF KANSAS

Following a brief introduction on her background, Chancellor Gray-Little presented an update on the University of Kansas' strategic plan, *Bold Aspirations*. *Bold Aspirations* contains three themes: 1) Educating leaders whose experiences at KU prepare them to lead successful lives and to meet workforce needs, 2) Building healthy communities throughout Kansas and the nation via patient care, partnerships, and programs that promote well-being and prosperity, and 3) Making discoveries that change the world through research that leads to new ways to understanding and interpreting human experience, new treatments, new products, and new jobs. The Chancellor showed KU's institutional rankings compared to its peers with regard to freshman retention rate, six-year graduation rate, federal research expenditures, and National Academies memberships. She also reviewed KU's program rankings and discussed future enrollment projections and space needs.

(PowerPoint filed with Official Minutes)

WICHITA STATE UNIVERSITY

President Bardo provided some background on his career and family and then presented Wichita State University's vision for the Innovation Campus. The Innovation Campus is the core for implementing the University's strategic plan. It will challenge the traditional educational model and promote a learning, working, living, and playing environment. The Innovation Campus will be designed to accommodate creativity, innovation, new business development, and human interaction. President Bardo highlighted student opportunities to gain first-hand experience in their field of study by working directly with businesses located on the Innovation Campus. He noted funding for the campus will consist of a combination of private funding, local mill levy, university resources, and state assistance.

(PowerPoint filed with Official Minutes)

KANSAS STATE UNIVERSITY

President Schulz talked about his family and career. He also gave an update on Kansas State University's strategic plan and the progress that has been made to reach its goal to be recognized as one of the nation's top 50 public research universities by 2025. KSU increased its research awards and expenditures, enrollment, and fundraising over the last several years. President Schulz showed where KSU is ranked compared to its peers in regard to total research development expenditures, endowment assets, National Academy members, doctorates conferred, and faculty awards. Additionally, he reviewed the financial trends over the last five years for the University, which shows the decreases in SGF and the increases in private funds raised and tuition. President Schulz stated that, if these fiscal trends continue, by 2024 tuition/fees and philanthropy will be the largest income stream for the University, and its financial picture will look more like a private, middle-size research university.

(PowerPoint filed with Official Minutes)

BREAK

Chairman Wilk called for a break at 3:25 p.m. and resumed the meeting at 3:35 p.m.

PITTSBURG STATE UNIVERSITY

President Scott spoke about his background. He also reported Pittsburg State University's current strategic plan expires in 2015 and the University has begun to draft a new plan. A University Strategic Planning Council has been formed, and they have reexamined the University's mission, vision, and values. They also have identified new and aspirational goals and objectives, which are linked with the University's core budget, operational, and planning processes. President Scott stated the current draft of the plan has four goals: 1) Academic Excellence, 2) Student Success, 3) Partnerships, and 4) Responsive Campus Culture. Under each of these goals are objectives that will be measured. The next step for the proposed plan is for the University leadership to review it before asking the University community for input. President Scott plans to bring a final document to the Board for consideration sometime this fiscal year.

(Handout filed with Official Minutes)

EMPORIA STATE UNIVERSITY

Following a brief introduction of his background, President Shonrock presented an update on Emporia State University's new strategic plan, *The Adaptive University*. To move the University forward, President Shonrock stated the budget and planning processes will be connected to the plan. This is a cultural shift for the campus but it is one that will improve ESU. He did note the campus community has embraced the new strategies. Additionally, President Shonrock discussed increases in enrollment and utilization of current building spaces.

FORT HAYS STATE UNIVERSITY

President Martin gave a brief overview of her background and presented an update on Fort Hays State University's strategic plan, *Forward Thinking. World Ready*. FHSU is committed to growing its enrollment and its global engagement. The University has had success with its China Program,

and President Martin is exploring other markets to start similar programs. She also noted that FHSU will be expanding its international commitment by serving more international students on and off campus.

(PowerPoint filed with Official Minutes)

The Board thanked the CEOs for the updates on their strategic plans and noted that each university is showing progress. The Board discussed with the CEOs how the universities are preparing students for the global economy. Regent Bangerter suggested one of the Board's goals this year should focus on understanding higher education around the world and how it impacts Kansas. The Board also discussed the value of Liberal Arts degrees. There is a perception that these degrees do not provide graduates with the same economic value as other certificates or degrees. Regent Logan suggested one of the Board's goals this year should focus on studying the value of a Liberal Arts education.

RECESS

Chairman Wilk recessed the meeting at 5:35 p.m.

RECONVENE

The Chairman reconvened the meeting at 8:05 a.m. on Thursday, August 14.

MEMBERS PRESENT:

Kenny Wilk, Chairman
Shane Bangerter, Vice Chairman
Joe Bain
Ann Brandau-Murguia
Bill Feuerborn
Fred Logan
Robba Moran
Zoe Newton
Helen Van Etten

TRENDS IN HIGHER EDUCATION

Dr. David Shulenberger, Senior Fellow with the Association of Public and Land-Grant Universities, gave a presentation on trends in higher education. Dr. Shulenberger identified the following six trends: 1) the demand for higher education continues to surge, 2) state support for higher education continues to drop and tuition increases, 3) to balance the budget, public universities try to increase enrollment of nonresident students, 4) continued search for a universal method for measuring learning outcomes, 5) the face of higher education changing, and 6) online education is becoming more respected. For Kansas, enrollment patterns have not followed the national pattern, which have grown. Overall enrollment in Kansas has been flat since 2009. He noted that Kansas has seen an increase in the percentage of first-time degree seeking students choosing to study out-of-state; however, the state universities have also been successful in increasing their proportion of nonresident students. Dr. Shulenberger also discussed concerns about student debt. He stated that middle and upper income students have increased their student borrowing and the total number share of outstanding education debt is held by the wealthiest 20 percent of households. Additionally, emerging ethical challenges for governing boards were

discussed including ensuring value for students, protecting students from sexual assaults on campus, and caring for student athletes.

(PowerPoint filed with Official Minutes)

BREAK

The Chairman called for a break at 9:20 a.m. and resumed 9:30 a.m.

FISCAL AFFAIRS AND AUDIT STANDING COMMITTEE, BOARD ACADEMIC AFFAIRS STANDING COMMITTEE, AND GOVERNANCE COMMITTEE

The members of the Fiscal Affairs and Audit Standing Committee and the Board Academic Affairs Standing Committee met to discuss their agendas for the upcoming year. The Academic Affairs Committee will be discussing the following topics this year: 1) developmental education, 2) student learning outcomes, 3) credit for prior learning, and 4) SARA. The Fiscal Affairs and Audit Committee will be working on implementing the Board's debt policy, discussing the tuition process, and getting a better understanding of the overall budgets of the universities.

Regent Wilk stated the Governance Committee met earlier by conference call to set this year's agenda. The Committee will finalize the CEO multi-rater feedback survey and assessment process, review the campus security reports, discuss connecting Distinguished Scholars with Legislative Research, and review the progress of the Fort Hays State University/Dodge City Community College merger.

BOARD GOALS FOR 2014-2015

Regent Wilk summarized potential Board goals for this year, which are listed below. Staff will fully develop the goals and present them to the Board for consideration at the September meeting.

- Identify and approve two or more degree programs that articulate across the system
- Report on Liberal Arts undergraduate students with a focus on the benefits of attaining such an education and data on employment
- Study what the status of higher education is around the world and get a better understanding of where Kansas is in regard to international education
- Study the impact of the enrollment of out-of-state students on the higher education system and the state
- Explore performance base funding for the higher education system and propose an initiative for consideration during the FY 2015 Legislative session
- Begin implementing the recommendations of the Developmental Education Task Force

The Board also discussed the concept of "Time to Degree" or "15 to Finish," which is an idea that if institutions can get more students to complete at least 30 hours per year, the time to degree would decrease, the cost to the students would decrease, the earnings in a job could begin earlier, and the likelihood of more students completing a degree would increase. The Board asked staff to study this concept.

FY 2016-2017 BUDGET REQUEST

The Board discussed the budget priorities for the upcoming legislative session. Staff was directed to draft the proposed unified budget request for the Board's consideration at the September meeting. The Board expressed support for the following requests: need-based financial aid, developmental education, Kansas Board of Regents data system, the number one priority of each university for FY 16 and FY 17, Washburn University's KBI crime lab partnership, tiered technical education, Adult Education, Fort Hays State University/Dodge City Community College merger, and the Board Office space.

CEO EVALUATIONS AND CONFLICT OF INTEREST

General Counsel Miller reviewed the timeline for this year CEO evaluations that will include the 360 survey of the campuses. She will be working with the Governance Committee to finalize the process. She also distributed the conflict of interest form for each Regent to complete. The Board will act on any actual or apparent conflicts in September.

ADJOURNMENT

The Chairman adjourned the meeting at 12:00 p.m.

Andy Tompkins, President and CEO

Kenny Wilk, Chair