

KANSAS BOARD OF REGENTS

MINUTES

October 14, 2015

The October 14, 2015, meeting of the Kansas Board of Regents was called to order by Chair Shane Bangerter at 1:30 p.m. The meeting was held in the Overman Student Center located on the Pittsburg State University campus, 302 E. Cleveland, Pittsburg. Proper notice was given according to law.

MEMBERS PRESENT: Shane Bangerter, Chair
 Zoe Newton, Vice Chair
 Joe Bain
 Bill Feuerborn
 Dennis Mullin
 Dave Murfin
 Daniel Thomas
 Helen Van Etten

MEMBER ABSENT: Ann Brandau-Murguia

WELCOME

Chair Bangerter thanked Pittsburg State University for hosting the Board meeting this month.

APPROVAL OF MINUTES

Regent Van Etten moved that the minutes of the September 16-17, 2015 meeting be approved. Following the second of Regent Mullin, the motion carried.

INTRODUCTIONS

President Scott welcomed everyone to Pittsburg State and thanked all his staff who helped with facilitating the Board meeting. He introduced the Director of the Overman Student Center, Jeff Steinmiller, who shared some of the history of the Student Center. President Schulz introduced Kansas State University's Faculty Senate President, Fred Guzek; Student Body President, Andy Hurtig; and University Support Staff Senate President, Pam Warren. President Schulz also shared that Kansas State has launched its Innovation and Inspiration Campaign to raise \$1 billion. This money will be used to advance the University and its strategic plan. President Martin introduced Fort Hays State University's new General Counsel, Kerry Wasinger. President Krull, Butler County Community College, introduced Fort Scott Community College's new President, Alysia Johnston, and congratulated Karla Fisher, Butler's Vice President of Academics, on receiving the National Council of Instructional Administrators' Chief Academic Officer of the Year award.

GENERAL REPORTS

REPORT FROM CHAIR

The Chair reported he recently attended a Pittsburg State University football game and was the honorary cannoneer at the game. He thanked President Scott for his hospitality.

The Chair reported the Governance Committee discussed concealed carry. He stated Board staff is developing policy recommendations to address concealed carry on the state university campuses. This policy will implement the current state law and will go into effect after the July 1, 2017 expiration of the legal exemption currently in place for the state universities. Board staff will disseminate the draft policy to interested groups on the campuses for feedback. Chair Bangerter stated the Committee would like to adopt the Board policy by the end of this year so the state universities will have time to develop institutional level policies and procedures to carry out the Board's policy before the exemption expires. The Chair noted the Committee also reviewed the format of the annual campus safety reports and discussed strategies for the upcoming legislative session.

REPORT FROM PRESIDENT AND CEO

President Flanders reported the Board adopted its goals for the year at last month's meeting. Board staff is now working on developing plans to implement these goals, which will include collaborating with the institutions.

REPORT FROM COUNCIL OF PRESIDENTS

President Martin presented the Council of Presidents' report. The Council received reports from the Council of Chief Academic Officers, the Council of Business Officers, the Council of Government Relations Officers, the Council of Student Affairs Officers, and the University Support Staff Council. The Academic Officers reviewed new program requests and discussed 2+2 programs. The Business Officers reported they will be gathering information on the fiscal impact of implementing leave equalization for university support staff. This information will be presented to the CEOs at the November Council of Presidents meeting. The Government Relations Officers presented two non-budgetary legislative proposals that may impact the six state universities: 1) amend K.S.A. 76-742 Student Fee for Debt Service on Academic or Health Facilities, Prior Referendum Required, and 2) Kansas Innovation Act. President Martin reported the Council of Presidents approved both proposals to move forward for Board consideration.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Lorie Cook Benjamin presented the Council of Faculty Senate Presidents' report. Dr. Benjamin reported the Council met with the Board's Director of Government Relations, Matt Casey, to discuss strategies on how to better communicate the value of higher education. Additionally, the Council discussed concealed carry and offered to work with the Board as the policy is being developed.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Jessie Pringle reported the Students' Advisory Committee spent the majority of its meeting reviewing questions for the student survey regarding the implementation of the concealed carry law. This survey will be used to gather student opinions and will be conducted on each state university campus. The Committee also discussed their legislative initiative – Life Line 911.

STANDING COMMITTEE AND OTHER REPORTS**ACADEMIC AFFAIRS**

Regent Van Etten reported the Board Academic Affairs Standing Committee met by conference call on September 29 to review the academic items for the Board's agenda. She noted the Committee and Board received by mail the annual Private Postsecondary Report. The report provided data on the private postsecondary institutions that are approved to operate in Kansas and data on the State Authorization Reciprocity Agreement (SARA). Regent Van Etten also reported the Committee reviewed the first group of Performance Agreement Reports for academic year 2014.

FISCAL AFFAIRS AND AUDIT

Regent Feuerborn presented the Board Fiscal Affairs and Audit Standing Committee report. The Committee received an overview of the University of Kansas Central District Project. The Committee will continue to discuss this project next month. The Committee also reviewed the Wichita/Sedgwick County mill levy, which is on the Board's agenda for consideration, and discussed the Board's tuition setting process. He noted the proviso language that the Legislature passed last session that capped tuition will be in effect for FY 2017, so tuition discussions may not be as extensive.

AMEND AGENDA

Regent Mullin moved to remove Kansas State University's Land Exchange from the Consent Agenda. This item is already included in the Discussion Agenda under the Non-Budgetary Legislative Proposals. Following the second of Regent Newton, the motion carried.

APPROVAL OF CONSENT AGENDA

Regent Van Etten moved, with the second of Regent Thomas, that the Consent Agenda be approved. The motion carried.

*Academic Affairs***ANNUAL PRIVATE POSTSECONDARY EDUCATION REPORT**

The Board received the Private Postsecondary Education Report for academic year 2013-2014.

(Report filed with Official Minutes)

DEGREE AND CERTIFICATE PROGRAM SUBMITTED BY BARTON COMMUNITY COLLEGE

Barton Community College received approval to offer an Associate of Applied Science degree (63 credit hours) and technical certificate (18 credit hours) in Occupational Safety and Health (15.0701). The estimated cost to implement the program is approximately \$81,750. The program will be supported with the National Institute of Environment Health Sciences, Community and College Consortium for Health and Safety Training five-year grant.

Fiscal Affairs & Audit

LEASE AGREEMENT WITH KSU FOUNDATION FOR PROPERTY REFERRED TO AS ROGER'S LAND – KSU

Kansas State University received authorization to enter into a three-year lease-purchase agreement with the KSU Foundation for property referred to as Roger's Land. The total lease cost of \$325,000 will be paid from balances within the Animal Science and Industry Restricted Fees Fund.

LEASE AGREEMENT WITH KSU FOUNDATION FOR PROPERTY LOCATED AT 2323 ANDERSON AVENUE – KSU

Kansas State University received approval to enter into a five-year lease-purchase agreement with the KSU Foundation for property located at 2323 Anderson Avenue in Manhattan, Kansas. The annual lease cost is \$500,000 plus interest, fees and property insurance, which will be paid from University fund balances.

CONSIDERATION OF DISCUSSION AGENDA

Other Matters

PITTSBURG STATE UNIVERSITY'S STRATEGIC PLAN

President Scott presented Pittsburg State University's new strategic plan, *Pathway to Prominence*. He stated PSU formally launched the start of its new strategic planning process in November of 2013. A 20-member task force, which comprised a broad cross-section of campus representation, was formed to lead the process. President Scott stated the process to form the plan took more than 12 months and included multiple conversations with campus and community constituents, extensive data collections, and strategic priority sessions. The new plan updated the University's mission and vision and defines PSU's core values. It also includes the following four goals:

- 1) Academic Excellence – PSU will be intentional in its efforts to improve the quality and value of existing educational programs while responding to the needs of Kansas and beyond through emerging strategic initiatives.
- 2) Student Success – PSU will strengthen relationships and enhance support systems and tools to help students achieve their academic and personal goals.
- 3) Partnerships – PSU will work with global and regional partners and the community of Pittsburg to enrich and advance cultural, economic, and educational opportunities.
- 4) Responsive and Innovative Campus Culture – PSU will be positioned to anticipate, respond to, and capitalize on opportunities.

President Scott noted each of these goals have specific objectives that can be measured annually to determine progress. Following discussion, Regent Feuerborn moved to approve. Regent Mullin seconded, and the motion carried.

(PSU Strategic Plan filed with Official Minutes)

BREAK

Chair Bangerter called for a break at 2:30 p.m. and resumed the meeting at 2:45 p.m.

Academic AffairsNEW CERTIFICATE OF APPROVAL FOR THE FOLLOWING DEGREE-GRANTING INSTITUTIONS: HERZING UNIVERSITY, INTERNATIONAL SPORTS SCIENCES ASSOCIATION, AND SAVANNAH COLLEGE OF ARTS AND DESIGN

Gary Alexander, Vice President for Academic Affairs, introduced the requests for new Certificate of Approval to operate in Kansas and degree granting authority for Herzing University, International Sports Sciences Association, and Savannah College of Arts and Design. Vice President Alexander noted all three institutions have met and complied with all Kansas statutorily imposed requirements. Regent Bain moved to approve, and Regent Thomas seconded. The following online degrees were approved:

Herzing University:

- Associate of Science in Medical Office Administration
- Associate of Science in Healthcare Management
- Bachelor of Science in Nursing (Bridge-RN to BSN)
- Bachelor of Science in Legal Studies
- Master of Science in Nursing
- Master of Business Administration

International Sports Sciences Association:

- Associate of Science in Exercise Science

Savannah College of Art and Design:

- Bachelor of Arts in Visual Communication
- Bachelor of Fine Arts in Graphic Design
- Master of Arts in Design Management
- Master of Arts in Illustration
- Master of Arts in Interior Design
- Master of Fine Arts in Interactive Design and Game Development

MASTER OF SCIENCE AND Ph.D. IN CANCER BIOLOGY – KUMC

Vice President Alexander presented the University of Kansas Medical Center's request for a Master of Science and a Ph.D. in Cancer Biology. Dr. Alexander noted current faculty and staff at the KU Cancer Center will develop this program and reallocation of University funds will be used to support the program. Regent Van Etten moved to approve. Following the second of Regent Thomas, the motion carried.

Ph.D. IN PERSONAL FINANCIAL PLANNING – KSU

Vice President Alexander presented Kansas State University's request for a Ph.D. in Personal Financial Planning. The program will be supported with state allocations and student tuition dollars. Regent Van Etten moved to approve, and Regent Mullin seconded. The motion carried.

NAME CHANGE AND REORGANIZATION OF THE K-STATE SALINA CAMPUS – KSU

Vice President Alexander introduced Kansas State University's request to re-name and re-organize the K-State Salina Campus. Over the past 18 months, staff and faculty at K-State Salina developed a proposed realignment of the campus structure. The realignment will happen on three levels: 1) Campus Level – change campus name from “Kansas State University Salina” to “Kansas State University Polytechnic Campus,” 2) College Level – keep the College of Technology and Aviation layer and title, and 3) Departmental Level – merge the academic departments of Aviation, Engineering Technology, and Arts, Sciences, and Business in order to create the *School of Integrated Studies*. Dr. Alexander noted the merging of departments will eliminate three administrative department head positions, which will be a cost savings for the campus. Regent Murfin expressed concern with changing the campus name and the possibility of it causing branding issues. April Mason, Provost for Kansas State University, explained the current name for the campus depicts only where the campus is located and the University believes “polytechnic” better describes what type of education the campus offers. Following further discussion on branding, Regent Van Etten moved to approve the name change and re-organization, and Regent Bain seconded. The motion carried. Regent Murfin requested his vote be recorded as “No.”

(Alignment Plan filed with Official Minutes)

Fiscal Affairs and AuditANNUAL BUDGET FOR WICHITA/SEDGWICK COUNTY MILL LEVY

Elaine Frisbie, Vice President for Finance and Administration, presented the FY 2016 budget proposed by the WSU Board of Trustees. The property tax revenues are estimated at \$7,442,549, and the Trustees are proposing expenditures totaling \$9,246,277 for FY 2016, which compares to a budget of \$7,707,583 for FY 2015. The \$1.5 million difference will be financed from the Engineering Expansion Grant within the Wichita State Innovation Alliance. Regent Thomas moved to approve, and Regent Feuerborn seconded. The motion carried. The budget is as follows:

Wichita State University			
City of Wichita/Sedgwick County Mill Levy Budget			
Fiscal Year 2016 Budget			
	<u>FY 2015</u>	<u>FY 2016</u>	<u>Amount</u>
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<u>Revenues</u>			
Revenue	\$7,407,583	\$7,442,549	\$34,966
Contingent Revenue	300,000	300,000	0
Transfer in from Engineering Expansion Grant of Wichita State Innovation Alliance	0	1,503,728	1,503,728
Total Revenues	\$7,707,583	\$9,246,277	\$1,538,694

Expenditures**Capital Improvements**

Debt Service (Series 2013-1 Refunding)	\$1,510,750	\$1,510,500	(\$250)
Debt Service (Series 2014-3)	0	1,898,912	1,898,912
National Center for Aviation Training Support	800,000	800,000	0
WSU Innovation Campus	249,907	0	(249,907)
Building Insurance	19,425	290,396	971
Total Capital Improvements	\$2,580,082	\$4,229,808	\$1,649,726

Student Support

WSU Merit Scholarship Program	\$3,796,333	\$3,796,333	\$0
Graduate Urban Assistantships	50,557	50,557	0
Graduate Research Assistantships	214,156	214,156	0
Graduate Fellowships	152,423	152,423	0
Total Student Support	\$4,213,469	\$4,213,469	\$0

Economic and Community Development

Interns-City/County	\$136,000	\$136,000	\$0
Business and Economic Research	150,000	150,000	0
City Government Services	80,000	80,000	0
County Government Services	80,000	80,000	0
Total Economic and Community Development	\$446,000	\$446,000	\$0

University Research and Support Services

Organization and Development	\$57,000	\$57,000	\$0
Total University Research and Support Services	\$57,000	\$57,000	\$0

Contingency

Contingency	\$411,032	\$300,000	(\$111,032)
Total Contingency	\$411,032	\$300,000	(\$111,032)

Total Expenditures	\$7,707,583	\$9,246,277	\$1,538,694
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TUITION PROPOSALS FROM WICHITA STATE UNIVERSITY

Vice President Frisbie reported the Board received a presentation last month regarding changes to Wichita State University's tuition structure. She stated Wichita State University is requesting authority to charge resident tuition rates to students from within the metropolitan statistical areas of Tulsa and Oklahoma City and is requesting authority to set variable tuition rates by entering into agreements with employers to meet the needs of working, non-degree seeking professionals for credit-based education, which is known as Contractual Market-Based Education. The Board discussed the Contractual Market-Based Education proposal. It was noted no Board policies need to be amended to implement this proposal; however, if approved, all applicable Board policies and procedures will continue to be applied. Additionally, the Board discussed allowing WSU to test the Contractual Market-Based Education proposal for a year and report its progress back to the Board by November 2016. At that time the Board will evaluate the program and its impact and

determine if a systemwide approach is desired. Regent Feuerborn moved to approve both tuition proposals. Regent Murfin seconded, and the motion carried.

BOND RESOLUTION FOR CONSTRUCTION OF STUDENT HOUSING TO REPLACE WEIST RESIDENCE HALL – FHSU; BOND RESOLUTION FOR CONSTRUCTION OF EARTH ENERGY ENVIRONMENT CENTER – KU; BOND RESOLUTION FOR CONSTRUCTION OF HEALTH EDUCATION BUILDING – KU; BOND RESOLUTION FOR CONSTRUCTION OF PARKING GARAGE #5 – KU

General Counsel Julene Miller introduced four proposed bond resolutions. The first is Fort Hays State University's request for bonds to finance the costs of constructing residence hall facilities to replace Wiest Hall. The resolution would authorize the issuance of revenue bonds in one or more series in the total aggregate amount not to exceed \$25,000,000 plus costs and reserves. The bonds will be secured with a pledge of generally available unencumbered funds of the University; however, Fort Hays State intends to pay the debt service with Housing System Revenue Funds. General Counsel Miller noted the Board originally approved the bond resolution for this project on September 17, 2014 but because of delays and budget issues, the resolution needed to be updated and reapproved.

The second is University of Kansas' request for bonds to finance a portion of the Earth Energy Environment Center Project. The resolution would authorize the issuance of revenue bonds in one or more series in the total aggregate amount not to exceed \$25,000,000 plus costs and reserves. Generally available unencumbered funds of the University will be used to secure the bonds, but it is expected that debt service will be paid using special revenue funds such as research overhead.

The third request is for bonds to finance portions of the Health Education Building project on the University of Kansas Medical Center Campus. The resolution for this project authorizes the issuance of revenue bonds in one or more series in the total aggregate amount not to exceed \$24,000,000 plus costs and reserves. The bonds will be secured with a pledge of generally available unencumbered funds of the University.

General Counsel Miller stated the final request is for bonds to finance the University of Kansas Medical Center's parking garage #5 project. The resolution would authorize the issuance of bonds in one or more series in a total aggregate amount not to exceed \$39,600,000 plus costs and reserves. The bonds will be secured with a pledge of KUMC Parking System Revenue funds. Additionally, the resolution would authorize refunding of outstanding bonds in the principal amount of \$165,000. This is also secured with KUMC Parking System Revenue funds.

Regent Feuerborn moved to approve and authorize the Chair and the President and CEO to execute the four Resolutions and various other documents relating to the security and payment of such bonds. Regent Bain seconded, and the motion carried.

(Resolutions filed with Official Minutes)

Other Matters

GRANTING OF HONORARY DEGREES AT THE UNIVERSITY'S SPRING 2016 COMMENCEMENT – KU

Chancellor Gray-Little presented two nominations for honorary degrees to be bestowed by the University of Kansas at its Spring 2016 commencement. The nominees are Brian McClendon for a Doctor of Science and Terry Evans for a Doctor of Arts. Regent Murfin moved to approve and Regent Newton seconded. The motion carried.

GRANTING OF HONORARY DEGREE AT THE UNIVERSITY'S DECEMBER 2015 COMMENCEMENT – KSU

President Schulz nominated Mr. Marlin Fitzwater to receive an Honorary Doctorate from Kansas State University at its Fall 2015 commencement. Regent Mullin moved to approve, and Regent Van Etten seconded. The motion carried.

GRANTING OF HONORARY DEGREE AT THE UNIVERSITY'S SPRING 2016 COMMENCEMENT – WSU

President Bardo nominated Dr. Paul Magelli to receive an Honorary Doctorate from Wichita State University at its Spring 2016 commencement. Regent Thomas moved to approve. Following the second of Regent Bain, the motion carried.

KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY RECOMMENDATION REGARDING THE PRELIMINARY PLAN TO FULLY IMPLEMENT THE POSTSECONDARY TIERED TECHNICAL EDUCATION STATE AID ACT

Rita Johnson, Vice President of Workforce Development, presented the Kansas Postsecondary Technical Education Authority's (TEA) recommendation for a preliminary plan to fully implement the Postsecondary Tiered Technical Education State Aid Act as required by language in the FY 2015 appropriation proviso. Vice President Johnson reviewed the history of the tiered cost model, which calculates costs at a course level and recognizes the cost differential in delivering technical education courses. She noted during the implementation process for the cost model, the Board determined that FY 2011 would be used as the base year for institutions and any new state money would flow through the formula. The Board also determined that beginning in FY 2014 the institution's FY 2011 base funding would be re-centered, and re-centered every year thereafter using a three-year rolling average of the gaps. However, in 2012 the Legislature passed a proviso for FY 2013, and has passed one every year since, that stated none of the colleges could receive less than they were appropriated in the previous year unless the appropriation was reduced, which prevented the re-centering of the postsecondary tiered technical funding that was to begin in 2014. Vice President Johnson noted this past legislative session an additional proviso was passed that stated the Board shall create a preliminary plan to fully implement the postsecondary tiered technical education state aid prior to November 1, 2015 and a final plan shall be submitted to the House Appropriations and Senate Ways and Means no later than February 1, 2016. Vice President Johnson stated the TEA recommends the following as the preliminary plan:

- Recommend the Board include a request for an additional \$8.3 million for postsecondary tiered technical education state aid to fully fund the current (FY 2016) gap between the state share of the calculated costs and the current appropriated amount.

- Recommend any new funding appropriated to the account be distributed only to those institutions with a funding shortfall and that institutions with no funding shortfall would maintain their current base.
- Recommend a plan to begin to resolve the remaining funding distribution disparity for institutions still receiving less than their institution's calculated state share (approximately \$2.9 million) be addressed the following year.
- Agree that non-tiered funding would be discussed and moved forward since there has been no additional non-tiered course funding received since the Non-Tiered Course Credit Hour Grants were established for FY 2012 and courses have been moved out of the tiered funding line into the non-tiered funding line during this time.

The Board discussed the recommendation and noted it only addresses distribution of new funding. The Regents expressed concerns that this option alone does not fulfill the language of legislative proviso, which requires a plan to fully implement postsecondary tiered technical education state aid. It was noted the phrase "fully implement" should not assume additional appropriations. The Board believes that this recommendation can be one option but wants the TEA to bring forward additional options that fully implement the plan without new funds. Additionally, these options should include a timeframe to achieve full implementation.

NON-BUDGETARY LEGISLATIVE PROPOSALS (FIRST READING)

Matt Casey, Director of Government Relations, presented the first read of the proposed non-budgetary legislative items. The Government Relations Officers have reviewed the following items:

- 1) Amend K.S.A. 76-742 Student Fee for Debt Service on Academic or Health Facilities, Prior Reference Required
- 2) Authority to Sell Property Located in Riley County, Kansas
- 3) Private Postsecondary Technical Edits
- 4) GED Credential Fee Change
- 5) Fee for Kansas Law Enforcement Training Center
- 6) Removal of the Johnson County Community College Exception from the Postsecondary Education Performance-Based Incentives Fund
- 7) Foresight 2020 Strategic Plan Concurrent Resolution

Regent Bangerter stated the Student Fee for Debt Service on Academic or Health Facilities item came before the Board last year and during that time the Students' Advisory Committee opposed moving it forward. Therefore he would like the students to have an opportunity to provide their feedback before the Board acts on this item at the November Board meeting.

ADJOURNMENT

Chair Bangerter adjourned the meeting at 4:36 p.m.

Blake Flanders, President and CEO

Shane Bangerter, Chair