

KANSAS BOARD OF REGENTS

MINUTES

November 18, 2015

The November 18, 2015, meeting of the Kansas Board of Regents was called to order by Chair Shane Bangerter at 1:36 p.m. The meeting was held in the Rhatigan Student Center on the Wichita State University campus, 1845 N. Fairmount, Wichita, Kansas. Proper notice was given according to law.

MEMBERS PRESENT:

Shane Bangerter, Chair
Zoe Newton, Vice Chair (By Conference Call)
Joe Bain (By Conference Call)
Ann Brandau-Murguia
Bill Feuerborn
Dennis Mullin
Dave Murfin
Daniel Thomas
Helen Van Etten

WELCOME

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

APPROVAL OF MINUTES

Regent Van Etten moved that the minutes of the October 14, 2015 regular meeting and the October 21-22, 2015 special meeting be approved. Following the second of Regent Feuerborn, the motion carried.

INTRODUCTIONS

President Bardo welcomed everyone to Wichita State and introduced the men's bowling team, who won the intercollegiate bowling title in 2015. He also introduced ten student scholars who attend Wichita State.

GENERAL REPORTS

REPORT FROM CHAIR

Chair Bangerter reported earlier in the day, the Regents attended a press conference where Spirit AeroSystems Inc. announced the creation of a \$576,000 scholarship program. The program will include 18 four-year scholarships valued at \$32,000 each. These scholarships will go to engineering and business students who attend Kansas State University, the University of Kansas, and Wichita State University. Chair Bangerter stated this program is a good example of aligning higher education with industry, which is one of the Board's goals.

GOVERNANCE

Regent Bangerter reported the Governance Committee reviewed a draft policy that addresses concealed carry on the state university campuses. Board staff will continue to collect feedback

from the campuses on the draft policy. Regent Bangerter stated the Committee plans to forward a proposed policy for the Board's consideration either at the December or January Board meeting. This will allow state universities time to develop institutional level policies and procedures to implement the Board's policy before the statutorily authorized exemption expires on July 1, 2017.

REPORT FROM PRESIDENT AND CEO

President Flanders reported that earlier in the week he attended the Midwestern Higher Education Compact meeting in Chicago. One of the topics that was discussed are the requirements of the Higher Learning Commission regarding faculty credentials for those faculty who are teaching courses eligible for concurrent credit to high school students. It is important to make sure all the faculty who are teaching these courses are appropriately credentialed to maintain accreditation. President Flanders noted the System Council of Academic Officers and the Board's Vice President for Academic Affairs are working to develop a system response.

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

President Inbody presented the System Council of Presidents' report. The Council received a demonstration of the LiveSafe App. This campus safety application allows individuals to share information with friends and safety officials about incidents that may be occurring on the campus. President Inbody stated if a high number of institutions purchase this App., it will reduce the overall cost per student.

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 reported on new program requests and the proposed non-academic transcript notation policy. The Business Officers stated it will cost the state universities \$3 million to implement the University Support Staff leave equalization initiative. Dr. Martin stated the CEOs want to move forward with implementing this initiative and noted Board staff was asked to draft policy language for the Council of Presidents' review. Additionally, the Council received and commented on the draft policy regarding concealed carry and approved Fort Hays State University's Bachelor of Science in Sociology, which is on the Board's consent agenda.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

The Council of Faculty Senate Presidents' report was presented by Lorie Cook Benjamin. The Council met with the Council of Government Relation Officers to discuss messaging. The Council also worked to finish developing the council's faculty and staff survey regarding weapons possession.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Jessie Pringle presented the Students' Advisory Committee report. The Committee discussed its student survey on concealed carry, which is currently open to all state university students at each of the campuses. It will close on November 25. The Committee also discussed its legislative initiative – Life Line 911.

Pringle, on behalf the Students' Adversity Committee, urged the Regents and the University CEOs to take the issue of creating inclusive campuses seriously. She stated the conversations regarding inclusion are happening across the nation. Chair Bangerter thanked Pringle for her leadership and stated that the Board takes these issues very seriously. The Board supports an environment that allows people of all faiths, colors, and nationalities to feel safe and welcome. He urged the Student Body Presidents to use these difficult times to be "statesmen" and stand up for what is right.

STANDING COMMITTEE AND OTHER REPORTS

ACADEMIC AFFAIRS

Regent Van Etten reported the Board Academic Affairs Standing Committee met by conference call on November 3. The Committee reviewed the academic items on the Board's agenda. The Committee also reviewed the Performance Agreement Reports for academic year 2014. These reports will be placed on the Board's December agenda for consideration.

FISCAL AFFAIRS AND AUDIT

Regent Feuerborn presented the Board Fiscal Affairs and Audit Standing Committee report. The Committee reviewed the university housing rate proposals and the EPSCoR proposals. Board staff gave an overview of the Board's capital budgeting process and the Educational Building Fund. The Committee also discussed the University of Kansas' Central District Project including the lease and sublease. The Committee recommended approving the lease, sublease and the bonding with the condition that the Board staff review the final documents.

APPROVAL OF CONSENT AGENDA

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

Academic Affairs

BACHELOR OF SCIENCE IN SOCIOLOGY – FHSU

Fort Hays State University received approval to offer a Bachelor of Science in Sociology. No additional resources or costs are associated with the program.

Fiscal Affairs & Audit

FY 2016 CAPITAL IMPROVEMENT PROJECT PLAN AMENDMENT – KSU

Kansas State University received authorization to amend its FY 2016 Capital Improvement Plan to include the Mosier Hall Magnetic Resonance Imaging (MRI) Enhancement Project. The estimated cost of the project is approximately \$2.6 million, which will be funded with Veterinary Health Center revenues. The program statement for the project was also approved.

FY 2016 REHABILITATION AND REPAIR LIST AMENDMENT – KU

The University of Kansas received approval to amend its FY 2016 Rehabilitation and Repair list to include the Applegate Energy Center Chiller Replacement. The

estimated cost of the project is \$1,295,000. It will be funded with the following Repair and Rehabilitation transfer funds:

<u>PROJECTS</u>	<u>FROM</u>	<u>TO</u>
Campus Interior Maintenance	\$200,000	\$105,000
Research Support Facility Improvements – Phase 2	\$1,200,000	\$100,000
Applegate Energy Center Infrastructure	\$100,000	\$1,295,000
Total	\$1,500,000	\$1,500,000

BREAK

The Chairman called for a break at 2:24 p.m. and resumed the meeting at 2:45 p.m.

CONSIDERATION OF DISCUSSION AGENDA

Presentation

UPDATE ON WICHITA STATE UNIVERSITY’S STRATEGIC PLAN

President Bardo gave an update on Wichita State University’s strategic plan. WSU’s plan consists of the following goals: 1) Guarantee an applied learning or research experience for every student by each academic program, 2) Pioneer an educational experience for all that integrates interdisciplinary curricula across the university, 3) Capitalize systemically on relevant existing and emerging societal and economic trends that increase quality education opportunities, 4) Accelerate the discovery, creation and transfer of new knowledge, 5) Empower students to create a campus culture and experience that meets their changing needs, 6) Be a campus that reflects – in staff, faculty and students – the evolving diversity of society, and 7) Create a new model of assessment, incentive and reward processes to accomplish our vision and goals. President Bardo shared some potential metrics to measure progress and played a short video.

(Handout filed with the Official Minutes)

Academic Affairs

COLLEGE OF SCIENCE, TECHNOLOGY AND MATHEMATICS; RELOCATE DEPARTMENTS; AND CREATE A NEW DEPARTMENT – FHSU

Gary Alexander, Vice President for Academic Affairs, presented Fort Hays State University’s requests to create a new College of Science, Technology and Mathematics, relocate certain academic departments, and create a new department. Dr. Alexander gave some background on how these items moved through the Board process. When Fort Hays State University brought this item to the Council of Academic Officers, the proposed college was titled as “College of Science, Technology, Engineering and Mathematics.” The Academic Officers voted down the request because the majority of the members argued Fort Hays State University lacks an Engineering program sufficient to justify the new name. The Academic Officers did vote to support the creation of a new college with “Engineering” removed from the title. When this item was brought before the Council of Presidents, the Council was split in their support, but the original proposal was passed. After going through the council process, Fort Hays State University decided to forward its request to the Board as a “College of Science, Technology, and Mathematics.”

Dr. Alexander stated Fort Hays State University is also seeking to relocate a number of academic departments and create a new Department of Applied Business Studies, to be housed in the College of Business and Entrepreneurship. Regent Van Etten moved to approve the new College, the new department, and relocating the departments listed below. Regent Murguia seconded, and the motion carried.

- Move the Department of Applied Technology from the College of Education to the College of Science, Technology and Mathematics
- Move the Departments of Chemistry; Computer Science and Information Systems Engineering; Geosciences; Mathematics; and Physics from the College of Arts, Humanities and Social Sciences to the College of Science, Technology and Mathematics
- Move the Department of Agriculture and Department of Biological Sciences from the College of Health and Behavioral Science to the College of Science, Technology and Mathematics¹
- Move the Department of Psychology from the College of Arts, Humanities and Social Sciences to the College of Health and Behavioral Sciences
- Create a new Department of Applied Business Studies, to be housed in the College of Business and Entrepreneurship.

Fiscal Affairs and Audit

FY 2017 HOUSING AND FOOD SERVICE RATE ADJUSTMENT PROPOSALS SUBMITTED BY STATE UNIVERSITIES (FIRST READING)

Proposed rates for housing and food service for FY 2017 were presented by Vice President Frisbie. The Board will act on the proposed rate adjustments at its December meeting.

EPSCoR PROPOSALS

Vice President Alexander presented the proposed EPSCoR proposals. The EPSCoR Program Review Committee recommends funding the following projects:

- 1) For the Kansas IDeA Network of Biomedical Research Excellence (K-INBRE), located at the University of Kansas Medical Center, the Committee recommends \$125,000 for FY 2016 to support four grant proposals to increase the Medical Center's competitiveness for NIH funding. This award provides a 16:1 leverage for state funds (federal:state).

¹ The paper in the Board agenda book listed this item as "Move the Department of Agriculture and Department of Biological Sciences from the College of Arts, Humanities and Social Sciences to the College of Science, Technology and Mathematics." After the meeting, Fort Hays clarified the Department of Agriculture and Department of Biological Sciences are actually housed in, and be moved from, the College of Health and Behavioral Science.

- 2) For the Kansas NASA EPSCoR program at Wichita State University, the Committee recommends \$50,000 per year for FY 2016, FY 2017 and FY 2018. The total funding from NASA is \$375,000 (\$125,000 per year for three years). This award provides a 2.5:1 leverage for state funds (federal:state).
- 3) For the Center for Environmentally Beneficial Catalysis (CEBC), located at the University of Kansas, the Committee recommends \$225,000 for FY 2016. This award provides approximately 15.6:1 leverage for state funds (federal:state).

Regent Feuerborn moved to approve the Committee's recommendations. Regent Van Etten seconded, and the motion carried.

LEASE AND SUBLEASE BETWEEN THE UNIVERSITY OF KANSAS AND KU CAMPUS DEVELOPMENT CORPORATION AND BOND FINANCING FOR THE CENTRAL DISTRICT DEVELOPMENT PROJECT – KU

Greg Hoffman, Director of Facilities, introduced the University of Kansas' request to enter into a ground lease and sublease with the KU Campus Development Corporation, a newly created, University-affiliated, controlled non-profit corporation. The annual lease payment will be approximately \$21.5 million plus the cost of operations and maintenance over a term that will not exceed 40 years. The payments will be funded with housing revenues, parking revenues, student fees and tuition funds. No State General Fund appropriations will be used. KU also requests approval of the issuance of bonds by the KU Campus Development Corporation, a controlled, affiliated corporation. The project costs are not to exceed \$350 million and will be used for KU's Central District Development Projects. Debt service on the bonds will be paid by the KU Campus Development Corporation using the lease payments it receives from KU.

Director Hoffman stated the Central District Development Projects includes several components: 1) an Integrated Science Building, 2) a residence hall and dining facility, 3) apartment-style housing, 4) a new student union, 5) a parking facility, 6) and a new Central Utility Plant. He stated KU has followed all the Board's processes and policies. The Board first heard about KU's Central District Project two years ago when the University presented its Campus Master Plan. Since then key components of the project have been included in the University's Five Year Capital Improvements Plan. The Legislative Joint Committee on State Building Construction was also given briefings on the project and its components. He also noted when compared to the traditional square footage costs published in the Board's biennial 'Report on State University Deferred and Annual Maintenance,' the University is seeing an average savings of 7-10% in square footage costs for the various types of construction within this project.

Chancellor Gray-Little stated the KU Central District Project is a combination of needs and aspirations for the University. The primary element in the project is the new Integrated Science Building, which will enhance the University's ability to attract and retain students and faculty. She noted the current science facility on campus is over 60 years old and beyond the point of renovation. She noted the additional housing and parking are needed because the University anticipates continued growth in its international and out-of-state student enrollment. The Chancellor stated she understands this is a large project but believes the University has developed

a plan that is financially sound. It was also noted that the Chancellor has reviewed detail of the project with individual Board members, several Legislators, and the Governor.

Regent Feuerborn stated the Board Fiscal Affairs and Audit Committee has received several presentations from KU and has been reviewing the details of the project. The Board discussed the cost and scope of the project. Several of the Regents had concerns about the State's liability. However, since the bond will be issued through a non-profit corporation, the State will not have any liability and the liability on the University will essentially be limited to the agreed-to amount of the lease payments. The Board also discussed the final negotiated contract. The Board Fiscal Affairs and Audit Standing Committee recommended that Board staff review the final negotiated contract before KU signs to confirm that the scope of the project will not vary to a sizeable degree. After discussion, the Board decided the Fiscal Affairs and Audit Standing Committee members, on behalf of the Board, should review the key terms of the final negotiated contract rather than Board staff.

Regent Murguia moved to approve the lease and sublease between KU and the KU Campus Development Corporation and the bond financing request, all contingent upon the Board Fiscal Affairs and Audit Standing Committee's approval of the final negotiated contract terms. Regent Mullin seconded, and the motion carried. Regent Feuerborn stated the Committee will convene a meeting once the contract is ready to be reviewed.

RAZE BURGE UNION, CENTRAL DISTRICT IMPROVEMENT – KU

Director Hoffman presented the University of Kansas' request to raze the Burge Union as part of the Central District Project. Regent Feuerborn moved to approve contingent upon the final approval of the negotiated Central District Project contract terms. Regent Mullin seconded, and the motion carried.

Governance

AMEND K.A.R. 88-3-8a AND 88-26-7 AND REVOKE K.A.R. 88-3-12; IN-STATE TUITION RATES FOR ACTIVE ARMED FORCES AND VETERANS

Associate General Counsel Theresa Schwartz presented proposed permanent regulations. The purpose of the amendments to the three regulations (K.A.R. 88-3-8a, 88-26-7, and 88-3-12 revocation) is to align with current federal and state law. Associate General Counsel Schwartz stated in the 2015 session, the Kansas Legislature enacted House Bill No. 2154, which impacts the tuition rate available to and paid by current military, veterans, and their respective spouses or dependent children. Regent Murguia moved, and Regent Van Etten seconded, that the proposed amended regulations be approved. On a roll call vote, the following Regents voted affirmatively to adopt the motion: Regent Bangerter, Regent Murguia, Regent Feuerborn, Regent Mullin, Regent Murfin, Regent Thomas, Regent Van Etten, Regent Bain, and Regent Newton. Motion carried.

(Regulations filed with Official Minutes)

Other Matters

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Rita Johnson, Vice President of Workforce Development, presented the Kansas Postsecondary Technical Education Authority (TEA) report. Vice President Johnson stated she provided the Board's feedback regarding the tiered funding proviso plan to the TEA members at their last meeting. The TEA will finalize their recommendation and present it to the Board at the December meeting.

Additionally, Vice President Johnson presented the annual Kansas Training Information Program (K-TIP) report. This report contains data on the number of career technical program enrollments, program graduation rates, the number of graduates exiting who are employed and the average wage.

(PowerPoint filed with Official Minutes)

NON-BUDGETARY LEGISLATIVE PROPOSALS

Matt Casey, Director of Government Relations, presented the proposed non-budgetary legislative items. Last month the Board reviewed the following proposals: 1) Authority to Sell Property Located in Riley County, Kansas, 2) Private Postsecondary Technical Edits, 3) GED Credential Fee Change, 4) Fee for Kansas Law Enforcement Training Center, 5) Removal of the Johnson County Community College Exception from the Postsecondary Education Performance-Based Incentives Fund, and 6) Foresight 2020 Strategic Plan Concurrent Resolution. Regent Mullin moved to approve, and Regent Van Etten seconded. The motion carried.

ADDITIONAL NON-BUDGETARY LEGISLATIVE PROPOSALS (FIRST READING)

Director Casey introduced additional non-budgetary legislative items for first read. These items include: 1) creating the Kansas Innovation Act, 2) pursuing legislation that will allow Wichita Area Technical College/Wichita State University to be merged into a strategic alliance, and 3) pursuing a technical edit to the University of Kansas Medical Center's police jurisdiction. Regent Bangerter asked for clarification on the meaning of "strategic alliance." President Bardo stated his vision is that Wichita Area Technical College would become a School of Technology and Applied Science at Wichita State. These items will be presented to the Board in December for final action.

ADJOURNMENT

At 4:43 p.m., Regent Murfin moved to adjourn. Following the seconded of Regent Van Etten, the motion carried.

Blake Flanders, President and CEO

Shane Bangerter, Chair