

KANSAS BOARD OF REGENTS

MINUTES

September 20-21, 2017

The September 20, 2017, meeting of the Kansas Board of Regents was called to order by Chair Dave Murfin at 1:32 p.m. The meeting was held in the Board Office located in the Curtis State Office Building, 1000 S.W. Jackson, Suite 520, Topeka. Proper notice was given according to law.

MEMBERS PRESENT:

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

APPROVAL OF MINUTES

Regent Newton moved that the minutes of the June 14-15, 2017 regular meeting, June 30, 2017 special meeting, and August 8-10, 2017 budget worksession and retreat be approved. Following the second of Regent Van Etten, the motion carried.

INTRODUCTIONS

Chair Murfin recognized Senator Tom Hawk and Representative Sydney Carlin. President Scott introduced Pittsburg State University's Student Government Association President, Cassandra Ngo; Unclassified Staff Senate President, Erin Sullivan; and Faculty Senate President, Amy Hite. Interim President Tompkins introduced Fort Hays State University's Student Government Association President, Emily Brandt; University Support Staff President, Lisa Lang; and Faculty Senate President, Denise Orth. President Garrett introduced Emporia State University's Associate Student Government President, Megan McReynolds; and Faculty Senate President, Rob Catlett. President Flanders introduced the new Director of Communications for the Board Office, Matthew Keith.

GENERAL REPORTS

REPORT FROM CHAIR

Chair Murfin welcomed everyone to the first Board meeting of the year and thanked Regent Newton for her leadership last year. The Chair reported last month the Board held its annual retreat, which was productive. Throughout the retreat the Board discussed the potential barriers that students face. Potential barriers were highlighted when the Board reviewed the First Generation Taskforce's recommendations. Chair Murfin noted three of the Board's goals for this year, which will be adopted later in the agenda, are associated with the Taskforce recommendations and are linked to removing barriers for students. Chair Murfin thanked Regents Murguia and Bangerter and the other members of the Taskforce for all their work.

Chair Murfin stated because students and faculty are key to our universities' mission, as themes for our Board meeting this year, he thought it would be beneficial for the Board to hear about student and faculty experiences, and particularly the value of being a part of our higher education campuses. The student experience encompasses all aspects of the student lifecycle – from the first recruitment contact by the institution to the student graduating and becoming an alumnus. The faculty play an important role in the student experience as well as our institutions' successes. Developing faculty talent in the classroom and in conducting research is important not only for our institutions but for our state. Throughout the year, Board staff will weave these themes into the monthly Board meetings.

REPORT FROM PRESIDENT AND CEO

President Flanders reported that in June he received a letter from Senator Molly Baumgardner, Chair of the Senate Education Committee, encouraging the Board to create a taskforce to review potential obstacles or issues concerning concurrent enrollment of high school students. At the retreat, the Board prioritized the review of concurrent enrollment as one of its goals for the year, and asked the Kansas Department of Education and the Kansas Board of Regents Coordinating Council to serve as the taskforce to take up this issue. The Council met and spoke with Senator Baumgardner about ways to expand concurrent enrollment in the high schools. The Council also received information on how the colleges and universities are currently offering concurrent enrollment courses throughout the state. President Flanders noted the Council will continue to meet and plans to present a report to the Legislature with their findings and recommendations as requested.

President Flanders stated the Board's *Foresight 2020* Attainment Goal is to increase to 60 percent the number of Kansans who have earned a certificate or associate or bachelor's degree and to increase the system retention and graduation rates. He noted the ACT report was released and based on the ACT benchmarks, it may be more difficult for the colleges and universities to reach their attainment goals because many students may not be as prepared for college. He reviewed the ACT breakdown for Kansas. In 2016, 74 percent of Kansas high school graduates took the ACT. Out of the 74 percent, half the students met the reading benchmark and less than half met the Math and science benchmarks.

REPORT FROM COUNCIL OF PRESIDENTS

President Myers presented the Council of Presidents' report. The Council received updates from the Council of Chief Academic Officers, Council of Business Officers, Council of Government Relations Officers, Council of Student Affairs Officers, and the University Support Staff Council. The Academic Officers had a first read on several university programs and plan to conduct a conference call to have a second read of the programs. If the programs are approved unanimously by the Academic Officers on the second read, then the programs will be placed on the Council of Presidents' agenda, the Board Academic Affairs Standing Committee agenda, and the Board's agenda in November. President Myers reported that the Council of Presidents discussed math pathways and directed the Academic Officers to conduct surveys on their campuses to determine what programs require College Algebra and to find out what standards are required by other organizations regarding College Algebra.

The Government Relations Officers presented an update on the events associated with the upcoming legislative session. The Student Affairs Officers discussed forming a diversity and inclusion taskforce so campuses can share ideas and experiences. The University Support Staff expressed their concerns with the increasing cost of benefits, specifically health insurance. The Council of Presidents discussed the cost of health insurance and believes there needs to be more communication between the Health Care Commission and the state universities.

The Council of Presidents approved Wichita State University's Master of Science in Global Supply Chain Management. This program will be forwarded to the Board for consideration. The Council discussed the Board's policy on the Limited Retirement Health Care Bridge and whether it should be amended to include University Support Staff. Board staff also presented proposed amendments to the Honorary Degree policy. The Council will provide staff with feedback on the proposed amendments.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Brian Lindshield presented the Council of Faculty Senate Presidents' report. He noted that President Flanders requested the Council review and discuss appropriate math degree requirements. The Council members plan to collect information from their universities to begin the discussion in the upcoming meetings. The faculty discussed the degrees exceeding 120 credit hours process and concluded that there is a need to coordinate between institutions. Dr. Lindshield reported that the institutions have started to implement the Credit for Prior Learning policy but questions were raised regarding procedures. To address those questions, the Council drafted language to provide guidance. He also reported that the Council discussed assigning liaisons to attend the Board standing committee meetings, similar to what the Students' Advisory Committee started last year.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Jack Ayres reported the Students' Advisory Committee held its annual retreat in Manhattan this year. The Committee discussed ways for current students to be involved with recruiting future students into higher education. This initiative will focus on recruiting students to the entire system of higher education and not specific institutions. The students also discussed forming a diversity and inclusion taskforce, which will allow students from the universities to collaborate on these issues. Mr. Ayres reported that the students' higher education day at the Statehouse is scheduled for February 7, 2018. The Committee's legislative priorities this year include restoring funding to higher education, advocating for a change in the Personal and Family Protection Act that would allow for local control to implement concealed carry on the campuses, and advocating for an affirmative consent law.

REPORT FROM UNIVERSITY SUPPORT STAFF COUNCIL

Carrie Fink presented the University Support Staff Council report. The Council discussed salaries and reviewed the costs associated with health insurance, retirement benefits, and tax withholding rates. The support staff are concerned with the rise in healthcare premiums and how it affects their take-home pay. The Council also discussed surveying all of the university support staff on each campus to identify other issues that are impacting them.

REPORT FROM UNCLASSIFIED STAFF COUNCIL

Ashley Thomas presented the Unclassified Staff Council report. The unclassified staff have the same concerns as the university support staff regarding the rise in healthcare cost and the complexity of the State's HealthQuest Reward Program. The Council expressed their appreciation to the Legislature for appropriating funds for an employee pay increase, but they also expressed their concerns about how the pay plan was structured. The structure has created inequities and salary compression among the state university employees. Additionally, Ms. Thomas reported that members of the unclassified staff are still concerned with concealed carry on campus.

REPORTS FROM UNIVERSITY CEOS

President Myers stated methodologies for educating students have changed over the years and to accommodate these changes, Kansas State University needs to adjust its budgeting model. KSU has been working to update its model over the last several years. The new model will identify budget priorities, which will be critical since the University has had declining enrollment and state support. President Myers also reported that following the officer-involved shooting on the Georgia Tech campus, he spoke with KSU's campus police chief regarding their procedures on how to handle a combative individual on campus and when, if ever, to use deadly force. He noted the campus police are trained in negotiation and have nonlethal force options available, like chemical spray and Tasers.

President Scott reported Pittsburg State University's Doctor of Nursing Practice recently received full accreditation and its Teacher Education Program finished an onsite accreditation review. He noted that Regent Mullin was a guest speaker at PSU's leadership team retreat. During the retreat, the leadership team spoke about the challenges they are facing. President Scott announced that PSU celebrated the 20th anniversary of the Kansas Technology Center, the 10th anniversary of the Polymer Research Center, and the 40th anniversary of the University.

President Bardo stated there are many concerns on campus about health and safety issues. Nationally there is a trend on college campuses for individuals to try to suppress speech that they do not agree with. To maintain the learning environment, universities will need to address these issues. President Bardo reported that Wichita State University had a good start to the new year. The new parking garage is open and the demand for student housing is high. He also provided an update on the Wichita State University and Wichita Area Technical College affiliation. The Higher Learning Commission has conducted its review and its final report should be released in November.

President Garrett announced that *U.S. News & World Report* issued a study on student debt and Emporia State University was ranked second lowest in the Midwest. ESU's average student debt level has declined over the last three years. She noted ESU was awarded a \$1.2 million McNair Scholars Grant, which will be used to help undergraduate students to prepare for doctoral studies. ESU also received an Upward Bound Grant of \$1.3 million. Additionally, President Garrett reported that ESU held its annual Constitution Day on campus, which allows middle school student to learn about the Constitution and noted that President Myers was the guest speaker at the event.

Interim President Tompkins reviewed Fort Hays State University's program "The First 40 Days." This program is used to welcome students back to campus and encourage them to get involved in

different activities. Interim President Tompkins noted that the program helps with student retention because students feel more connected to the campus. FHSU recently had an IT audit conducted by Legislative Division of Post Audit, and Interim President Tompkins noted the campus will address the issues identified in the audit. The University is also conducting a review of its general education courses and is hoping to implement any changes from the review in 2019. Interim President Tompkins reported that the enrollment in the China program is up this year but obtaining immigration visas is becoming more difficult. Additionally, he gave an update on new facilities on campus.

Chancellor Girod recognized Provost Neeli Bendapudi and introduced the Interim Executive Vice Chancellor at the Medical Center, Robert Simari, and the Interim Vice Chancellor for Public Affairs on the Lawrence Campus, Reggie Robinson. Chancellor Girod spoke about the police training that is conducted at the KU Law Enforcement Training Center. The Center trains over 800 new police officers every year and offers continuing education classes to over 11,000 police officers every year. The Center's curriculum includes training in nonlethal and lethal force. Additionally, the Chancellor reported that the Central District Project is ahead of schedule, the construction of the Earth, Energy and Environment Center is underway, and the Health Education Building on the Medical Center campus is fully operational.

BREAK

The Chair called for a break at 2:49 p.m. and resumed the meeting at 3:02 p.m.

AMEND AGENDA

Regent Feuerborn moved to amend the agenda to make the briefing from Moody's the next agenda item. Regent Bain seconded, and the motion carried.

BRIEFING FROM MOODY'S HIGHER EDUCATION RATING ANALYSTS

Vice President Frisbie stated that Moody's analyzes the state universities' financial information and provides bond ratings. She introduced the Moody's Investors Service staff: Susan Fitzgerald, Associate Managing Director, Chris Collins, Assistant Vice President/Analyst, and Jared Brewster, Assistant Vice President/Analyst. Ms. Fitzgerald provided information on key issues affecting the financials of public institutions. Moody's is seeing the public institutions under more financial stress as compared to the private institutions. Across the U.S., about a quarter of public institutions have a negative rating. The challenges the public institutions are facing include changes in student profiles, lower levels of state support, increased costs of employee expenses, and growing infrastructure needs. Overall for public institutions, expenses are growing and revenues are constrained. However, there are opportunities for public institutions to expand their student base by recruiting nontraditional students including adult learners and first generation students. Ms. Fitzgerald noted that the credit pressure for universities has increased but over time the universities will adapt to the new environment and the pressure will decrease.

Mr. Collins reviewed how Kansas public universities compared to national public universities. Moody's rates over 200 public universities and analyzes categories like enrollment, financial leverage, and state funding. He noted Kansas fairs well with regard to financial leverage as compared to national universities. The state's enrollment trends mirror the national trends but the state funding of higher education has seen waning support from policy makers. Mr. Collins noted

that Moody's rates each individual university on a scale that ranges from AAA (the highest rating) to C (the lowest rating). All of the Kansas public universities are rated within the A scale (AAA, AA, or A).

STANDING COMMITTEE AND OTHER REPORTS

ACADEMIC AFFAIRS

Regent Bangerter presented the Board Academic Affairs Standing Committee Report. The Committee reviewed the University of Kansas' Interior Architecture and Design program, which is on the consent agenda. He noted that the program was initially set at 127 credit hours but was reduced to 120 credit hours to conform to the direction the Board is moving. The Committee reviewed the Placement/Assessment Guidelines amendments, which the Board will consider on Thursday's discussion agenda. BAASC discussed how to reduce the need for the developmental education including looking at the summertime gap between school years. Additionally, Regent Bangerter reported that BAASC will review the TEA's request to streamline the technical program approval process at the Committee's November meeting and that the proposed changes in the process will also be included on the Board's November agenda for consideration.

FISCAL AFFAIRS AND AUDIT

Regent Mullin reported the Fiscal Affairs and Audit Standing Committee reviewed the Committee's workplan and agenda for the upcoming year. The Committee also discussed the fiscal items that are on the Board's agenda including the School of Dentistry and the annual appropriations request.

GOVERNANCE

Regent Murfin presented the Governance Committee report. The Committee reviewed its Charter and agenda topics for the upcoming year. Proposed changes to the ROTC regulation were reviewed, and the Committee directed staff to start the process to amend the regulation. The Committee also approved a letter responding to the Title IX Workgroup recommendations, which were presented to the Board in May.

RETIREMENT PLAN

Regent Bangerter presented the Retirement Plan Committee report. Recently, the Committee issued a Request for Information (RFI) to ensure that fees and services provided by the current two-vendors (TIAA and Voya) are reasonable for the Board's plan. At the conclusion of the RFI, the Committee decided to retain the current vendors and both companies agreed to enhance onsite education services and reduce their fees, which will save the plan participants approximately \$1.6 million a year. The Committee also approved issuing a Request for Proposal for investment consulting because the current contract is insufficient to address legal issues specific to 403(b) plans. Any recommendation to change consultants will be presented to the Board for consideration. At the November Board meeting, the Committee will present recommendations for changes to the Mandatory Retirement Plan fund line-up for the Board's consideration.

APPROVAL OF CONSENT AGENDA

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

*Academic Affairs*BACHELOR OF SCIENCE DEGREE IN INTERIOR ARCHITECTURE AND DESIGN – KU

The University of Kansas received approval to offer a Bachelor of Science in Interior Architecture and Design. The overall cost to implement the program is \$168,250. After implementation, the cost increases to \$308,500 for the second year and \$443,500 for the third year. Tuition generated by new enrollment in this program will be used to finance the development of the program and differential tuition revenues produced by new enrollment may also be used to purchase new studio furnishings and equipment.

*Fiscal Affairs & Audit*FY 2018 CAPITAL IMPROVEMENT PLAN TO FINISH REHEARSAL HALL AT BICKNELL FAMILY CENTER FOR THE ARTS – PSU

Pittsburg State University received authorization to proceed with the completion of the Rehearsal Hall interior at the Bicknell Family Center for the Arts. The estimated cost to complete the project is \$900,000, which will be financed with private funds.

EXCHANGE REAL PROPERTY BETWEEN WICHITA STATE UNIVERSITY AND KANSAS GAS & ELECTRIC – WSU

Wichita State University received approval to move forward with a land exchange in Sedgwick County, Kansas, between Wichita State University and Kansas Gas and Electric Company, a wholly-owned subsidiary of Westar Energy, Inc. (KG&E). The property held by WSU was appraised at \$260,000 and the property held by KG&E was appraised at \$86,400, making the difference in value \$173,600. To make up the difference in the appraised values, KG&E buried overhead electrical lines along 21st street. Additionally, the Board Chair and Board President and CEO are authorized to execute the deed, subject to the approval of the deed and all related land transfer documents by the Attorney General, and such conveyances subject to all easements and restrictions of record.

The following are the legal description of the properties to be exchanged:

Real property located in Sedgwick County, Kansas, to be conveyed by the Kansas Board of Regents to KG&E:

A parcel of land in the Northeast Quarter of Section 11, Township 27 South, Range 1 East of the Sixth Principal Meridian, Wichita, Sedgwick County, Kansas described as follows: Beginning at the Southwest corner of Lot 1, Wheatshocker Addition to Wichita, Sedgwick County, Kansas; thence bearing North 00 degrees 00 minutes 00 seconds East along the West line of said Lot 1 for a distance of 80 feet; thence bearing North 00 degrees 00 minutes 00 seconds East parallel with the West line of said Lot 1 for a distance of 6.00 feet; thence bearing North 89 degrees 39 minutes 30

seconds East, parallel with the South line of said Lot 1, for a distance of 62.00 feet; thence bearing South 00 degrees 00 minutes 00 seconds West, parallel with the West line of said Lot 1, for a distance of 166.00 feet to the South line of said Lot 1; thence bearing South 89 degrees 39 minutes 30 seconds West, along the South line of said Lot 1, for a distance of 142.00 feet to the Point of Beginning; said Parcel encompassing 0.53 acres, more or less (23,092 square feet, more or less).

Real property located in Sedgwick County, Kansas, to be conveyed by KG&E to Wichita State University:

Beginning at a point 200 feet north of the southwest corner of the Northeast $\frac{1}{4}$ of Section 11, Township 27 South, Range 1 East, thence north 150 feet; thence east 80 feet; thence south 150 feet; thence west to the point of beginning. Less and except: The southernmost 6 feet of the above-described property.

SELL REAL PROPERTIES – KSU

Kansas State University received authorization to sell 7.51 acres located in the Washington Marlatt Park for \$120,000. The proceeds of the sale will be deposited into the University's Restricted Fees Fund and be used for the ongoing maintenance of the Washington Marlatt Park property. The following is the legal description of the property:

A tract of land in the Southwest Quarter of Section 35, Township 9 South, Range 7 East of the 6th P.M., described as follows: BEGINNING at the Northeast corner of said Quarter Section, the East line having an assumed bearing of North 00 degrees 18 minutes East; FIRST COURSE, thence South 89 degrees 20 minutes WEST, 163.7 feet along the North line of said Quarter Section; SECOND COURSE: thence South 00 degrees 11 minutes East, 1869.4 feet; THIRD COURSE: thence South 16 degrees 56 minutes East to a point on the said East line, 300 feet North of the Southeast corner of said Quarter Section; FOURTH COURSE: thence North 00 degrees 18 minutes East along said East line to the place of beginning.

Kansas State University received approval to sell .838 acres to the KSU Foundation for the appraised value of \$1,830. The proceeds of the sale will be retained in University reserves. The following is the legal description of the property:

Tract A, Kansas State University Addition, an addition to the City of Manhattan, Kansas located in Section 7, Township 10 South, Range 8 East of the 6th Principal Meridian in the City of Manhattan, Riley County, Kansas, as set forth in Plat Book K, page 677 in the office of Register of Deeds of Riley County, Kansas.

Kansas State University received approval to sell 17.54 acres of land near the National Bio and Agro Defense Facility to the KSU Foundation for \$2.7 million. The proceeds will be retained in University reserves. The following is the legal description of the property:

Lot 3, Kansas State University Addition, an addition to the City of Manhattan, Riley County, Kansas, filed of record at the Riley County Register of Deeds office on September 16, 2010, in Book K, on Page 677.

Subject to the approval of the deeds and all related land transfer documents by the Attorney General, the Board Chair and Board President and CEO are authorized to execute the deeds for the final sale of these properties.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR REGENTS CENTER BIOTECHNOLOGY LAB – KU

The University of Kansas received approval to amend its FY 2018 Capital Improvement Plan to include the Regents Center Biotechnology Lab project at the Edwards campus. The estimated cost of the project is \$995,000, which will be funded with Johnson County Education Research Triangle funds and University resources.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR RENOVATIONS TO WATKINS MEMORIAL HEALTH CENTER – KU

Approval was given to the University of Kansas to amend its FY 2018 Capital Improvement Plan to include renovation projects in Watkins Memorial Health Center. The projects include replacing all defective and non-functioning HVAC equipment and renovating the Counseling and Psychological Services (CAPS) program space on the second floor. The estimated cost of the CAPS renovation is \$250,000, which will be funded with University resources. The remaining cost of the project is \$4,355,000 and it will be financed with a pre-established student fee designated for the Watkins Memorial Health Center's facility improvements.

Other Matters

UPDATED RESOLUTION TRANSFERRING BOARD'S AUTHORITY TO EXERCISE MANAGEMENT CONTROL OVER SECURITY OF CERTAIN CLASSIFIED INFORMATION TO A SECURITY EXECUTIVE COMMITTEE TO REFLECT NEW UNIVERSITY PERSONNEL – KU

The updated Resolution transferring the Board's authority to the University of Kansas' Security Executive Committee was approved. The Resolution was updated to reflect KU staffing changes on the Committee.

(Resolution filed with Official Minutes)

CONSIDERATION OF DISCUSSION AGENDA*Fiscal Affairs and Audit***BOND RESOLUTION FOR DEMOLITION, RECONSTRUCTION, REDEVELOPMENT, RENOVATION, AND ADDITIONS TO ABIGAIL MORSE RESIDENCE HALL AND CONSTRUCTION OF NEW RESIDENTIAL LIFE RESIDENCE FACILITY – ESU**

General Counsel Julene Miller introduced Emporia State University's request for a bond resolution in an amount not to exceed \$30,500,000 plus costs and reserves. The bonds will be used to finance the cost of renovating Abigail Morse Hall, demolishing Northeast and Central Morse Halls, and constructing a new residence hall. The bonds will be secured with a pledge of generally available unencumbered funds of the University, however, the University plans to use Housing System revenues to pay the debt. Regent Mullin moved to approve and to authorize the Board Chair and the Board President and CEO to execute all the necessary documents. Regent Murguia seconded, and the motion carried.

(Resolution filed with Official Minutes)

AMENDMENTS TO MEMORADUM OF AGREEMENT BETWEEN FHSU/AAUP – FHSU; AMENDMENTS TO MEMORANDUM OF AGREEMENT BETWEEN PSU/KNEA – PSU; NEW MEMORADUM OF AGREEMENT BETWEEN KSU/KAPE – KSU; AND NEW MEMORANDUM OF AGREEMENT BETWEEN ESU/AFSCME LOCAL 1357 – ESU

Theresa Schwartz, Associate General Counsel, presented the proposed amendments to the Memorandum of Agreement between Fort Hays State University and the American Association of University Professors, the proposed amendments to the Memorandum of Agreement between Pittsburg State University and the Kansas National Education Association, the renewed Memorandum of Agreement between Kansas State University and the Kansas Association of Public Employees/American Federation of Teachers, and the renewed Memorandum of Agreement between Emporia State University and the American Federation of State, County and Municipal Employees Local 1357. Regent Bangerter moved to approve all four MOAs and authorized the Chair to execute them on behalf of the Board. Regent Murguia seconded, and the motion carried.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR REPLACEMENT OF HOREJSI FAMILY ATHLETICS CENTER – KU

Nelda Henning, Director of Facilities, presented the University of Kansas' request to amend its FY 2018 Capital Improvement Plan to include the project to replace the Horejsi Family Athletics Center. The existing facility will be razed, and the Kansas University Endowment Association will build an updated facility in its place as authorized under K.S.A. 76-757. The estimated cost of the project is \$10 million, which will be financed with private gifts. The annual maintenance and operating costs will be funded with revenues collected by Kansas Athletics. The facility will be transferred to the University upon completion of construction. Regent Murguia moved to approve, and Regent Thomas seconded. The motion carried.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR RENOVATION AND NEW FACILITIES FOR HOGLUND BALLPARK – KU

Director Henning introduced the University of Kansas' request to amend its FY 2018 Capital Improvement Plan to include the project to renovate Hogleund Ballpark. A portion of the existing facility will be razed. The estimated cost of the project is \$12 million, which will be financed with private gifts and funds collected by Kansas Athletics. The Kansas University Endowment Association will renovate the building and transfer the facility to the University upon completion of construction. The annual maintenance and operating costs will be funded with revenues collected by Kansas Athletics. Regent Mullin moved to approve. Regent Murguia seconded, and the motion carried.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR RENOVATION TO THE RV CHRISTIAN TRACK AND FIELD – KSU

Director Henning presented Kansas State University's request to amend its FY 2018 Capital Improvement Plan to add a project to renovate the RV Christian Track and Field. The estimated cost of the project is \$2.5 million, which will be funded with private gifts. Regent Murguia moved to approve, and Regent Bain seconded. The motion carried.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR RENOVATION TO TROTTER HALL CLINICAL SKILLS LAB – KSU

Director Henning presented Kansas State University's request to amend its FY 2018 Capital Improvement Plan to include the Trotter Hall Clinical Skills Lab renovation project. The estimated cost of the project is \$1,768,000. It will be financed with the College of Veterinary Medicine General Fees Fund and private donations. Regent Murguia moved to approve, and Regent Van Etten seconded. The motion carried.

AMEND FY 2018 CAPITAL IMPROVEMENT PLAN AND ARCHITECTURAL PROGRAM STATEMENT FOR CRASH DYNAMICS LABORATORY – WSU

Director Henning introduced Wichita State University's request to amend its FY 2018 Capital Improvement Plan to include the construction of the Crash Dynamics Laboratory Building on the Innovation Campus. The cost of the project is approximately \$7.5 million. It will be financed with a combination of restricted use funds that are generated by private industry, and federal grants. NIAR will fund future maintenance and operation costs. Regent Murguia moved to approve, and Regent Bain seconded. The motion carried.

LEASE AGREEMENT FOR MANHATTAN/K-STATE INNOVATION CENTER WITH CITY OF MANHATTAN – KSU

Director Henning presented Kansas State University's request to enter into a 15-year lease-purchase agreement with the City of Manhattan for the Manhattan/K-State Innovation Center located at 2005 Research Park Circle. The total lease cost of \$5,645,000 will be paid according to the following schedule: \$50,000 per year to be paid the first three years with credit being given for the first payment made on November 17, 2016 and \$457,917 payable each year thereafter for the next 12 years. Lease payments will be paid from KSU-IC revenues and College of Veterinary Medicine funds including Veterinary Diagnostic Laboratory revenue. Regent Mullin moved to approve. Regent Newton seconded, and the motion carried.

AMEND GROUND LEASE – KSU

Director Henning presented Kansas State University's request to amend the 50-year land lease adopted in 2004 between the University and the City of Manhattan. The revised land lease will reflect the new terms and conditions associated with the lease purchase agreement between Kansas State University and the City of Manhattan for the Manhattan/K-State Innovation Center. Regent Murguia moved to approve. Following the second of Regent Mullin, the motion carried.

WSU BOARD OF TRUSTEES' REQUEST TO APPROVE ANNUAL BUDGET FOR WSU MILL LEVY AND SPECIFIC EXPENDITURES – WSU

Vice President Frisbie presented the FY 2018 mill levy budget proposed by the WSU Board of Trustees. The property tax revenues are estimated at \$8.2 million, and the Trustees are proposing expenditures totaling \$8,153,926 for FY 2018. Additionally, the Trustees are requesting expenditures of \$5.0 million toward the construction and development of a campus recreation/wellness center at Wichita State University and \$4.0 million for infrastructure costs associated with the Innovation Campus, which is a multi-year commitment of capital expenses. Regent Feuerborn moved to approve the annual mill levy, the expenditure for the the Health and Wellness Center, and the multi-year infrastructure expenditure. Regent Murguia seconded, and the motion carried. Regent Murfin abstained. The budget is as follows:

**Wichita State University
City of Wichita/Sedgwick County Mill Levy Budget
Fiscal Year 2018 Budget**

	<u>FY 2017 Budget</u>	<u>FY 2018 Budget</u>	<u>Amount of Change</u>
<u>Revenues</u>			
Revenue	\$7,561,901	\$7,853,926	\$292,025
Contingent Revenue	300,000	300,000	--
Total Revenues	\$7,861,901	\$8,153,926	\$292,025
<u>Expenditures</u>			
Capital Improvements			
Debt Service (Series 2013-1 Refunding)	\$1,512,000	\$--	(\$1,512,000)
National Center for Aviation Training Support	800,000	800,000	--
WSU Innovation Campus	513,036	2,317,061	1,804,025
Building Insurance	20,396	20,396	--
Total Capital Improvements	\$2,845,432	\$3,137,457	\$292,025
Student Support			
WSU Merit Scholarship Program	\$3,796,333	\$3,796,333	--
Graduate Urban Assistantships	50,557	50,557	--
Graduate Research Assistantships	214,156	214,156	--
Graduate Fellowships	152,423	152,423	--
Total Student Support	\$4,213,469	\$4,213,469	--

Economic and Community Development

Interns-City/County	\$136,000	\$136,000	--
Business and Economic Research	150,000	150,000	--
City Government Services	80,000	80,000	--
County Government Services	80,000	80,000	--
Total Economic and Community Development	\$446,000	\$446,000	--
University Research and Support Services			
Organization and Development	\$57,000	\$57,000	--
Total University Research and Support Services	\$57,000	\$57,000	--
Contingency			
Contingency	\$300,000	300,000	--
Total Contingency	\$300,000	\$300,000	--
Total Expenditures	\$7,861,901	\$8,153,926	\$292,025

Other MattersSCHOOL OF DENTISTRY

Vice President Frisbie stated that at the retreat the Board discussed the School of Dentistry. The current proposal is to remodel Dykes Library on the University of Kansas Medical Center campus to establish the School. Vice President Frisbie noted because of a change in the law, the Board has the authority to allocate money from the Educational Building Fund (EBF) for eligible projects, and the remodel of Dykes Library is an eligible project. Vice President Frisbie reviewed the projected cost (start-up and operational) for the School of Dentistry. Regent Thomas moved to proceed with the next steps for establishing a dental school at the University of Kansas Medical Center, Kansas City, Kansas campus. Next steps include using the EBF money in an amount of up to \$2.5 million to finance architectural services so that the Medical Center can seek detailed project bids for renovating Dykes Library. Regent Feuerborn seconded. The Board discussed the cost of drafting architectural plans and the current reciprocal agreement between Missouri and Kansas to exchange students. Some Regents expressed concerns about spending EBF money on architectural plans before the project has a commitment from the state. The Board also discussed the use of the EBF and agreed that an internal process needs to be developed on what capital projects will be eligible. The motion to allocate money from the EBF to finance these architectural services carried.

NAME A BUILDING – ESU

President Garrett requested permission to name ESU's new Aquatic Research and Outreach Center after Dr. Carl W. Prophet. Regent Newton moved to approve, and Regent Bain seconded. The motion carried. The facility will be named the Prophet Aquatic Research and Outreach Center.

GRANTING OF HONORARY DEGREE – KSU

President Myers nominated Mr. James "Jim" Richardson to receive an honorary doctorate degree, which will be conferred at the December 2017 Graduate School Commencement. Regent Van Etten moved to approve, and Regent Feuerborn seconded. The motion carried.

UPDATE ON THE BIOSECURITY RESEARCH INSTITUTE (BRI) SECURITY EXECUTIVE COMMITTEE ACTIVITIES – KSU

President Myers presented an update on the activities of the Biosecurity Research Institute (BRI) Security Executive Committee. This Committee's members include the President, Provost, Vice President for Research, and the Facility Security Officer. It meets twice a year to review projects that require security clearance. KSU has been awarded four research contracts and has the potential to secure two more. The research is primarily focused on biological and agricultural security.

UPDATE ON THE KU SECURE RESEARCH FACILITY'S EXECUTIVE COMMITTEE ACTIVITIES – KU

Chancellor Girod presented an update on the KU Secure Research Facility. The Security Executive Committee is authorized by the Board to manage, control, and supervise all classified information. This Committee includes the University Chancellor, Provost and Executive Vice Chancellor, Vice Chancellor for Research, Vice Provost for Administration and Finance, and the Faculty Security Officer. The Chancellor noted that KU is building a national security lab, which will increase KU's ability to secure classified research projects.

RECESS

The Chair recessed the meeting at 4:55 p.m.

RECONVENE

The Chair reconvened the meeting at 9:31 a.m. on Thursday, September 21.

MEMBERS PRESENT:

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

MEMBER ABSENT: Ann Brandau-Murguia

ANNOUNCEMENT

President Flanders thanked Kansas State University for loaning their art to the Board Office. He also noted during the summer the office had several cosmetic updates including adding a collaboration space. He thanked Nelda Henning for all her work on transforming the office.

REPORTS**REPORT FROM SYSTEM COUNCIL OF PRESIDENTS**

President Barwick presented the System Council of Presidents' report. The Council reviewed the proposed Board Goals and received a progress update on the Data Advisory Group. This group is evaluating all the data collections and determining how those efforts can be streamlined and

simplified. Additionally, the Council discussed the federal government's rescinding of the Deferred Action for Childhood Arrivals (DACA) program.

REPORT FROM THE COMMUNITY COLLEGES

President Barwick presented the community colleges' report. On behalf of the community colleges, he thanked the Board for allowing the colleges to participate in the discussions at the retreat. He then highlighted programs offered at the different community colleges.

REPORT FROM THE TECHNICAL COLLEGES

President Schears presented the report for the technical colleges. Flint Hill Technical College and Emporia State University recently partnered to welcome incoming students back to Emporia. Salina Technical College recently signed a Memorandum of Understanding with the Army National Guard to provide academic training for students serving in the National Guard. President Schears noted four Kansas technical colleges were recognized by the Chronicle of Higher Education annual almanac as being in the top 25 in graduation rates. The colleges are ranked against other two-year publicly funded technical and community colleges in the nation. President Schears also thanked the Board for including them in the discussions at the retreat.

APPROVAL OF CONSENT AGENDA

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

Other Matters

ADMINISTRATION OF STATE GRANT AUTHORITY

Authorization was given to the Kansas Postsecondary Technical Education Authority to continue to administer the grants associated with the Kansas Technology Innovation and Internship program. The TEA will provide the Board with updates on the grants as they occur.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

REVISIONS TO PERFORMANCE AGREEMENT FUNDING GUIDELINES

Jean Redeker, Vice President for Academic Affairs, presented proposed revisions to the Board's Performance Agreement Funding Guidelines. The Board Academic Affairs Standing Committee determined the current guidelines do not provide enough flexibility and do not recognize the individual characteristics of each institution. The Committee recommended awarding new funding based on four funding tiers (100 percent, 90 percent, 75 percent, and 0 percent). Vice President Redeker noted that the new guidelines will also allow institutions that qualify for 0 percent, 75 percent, and 90 percent funding to present evidence to request moving up a funding tier for the following year. The Committee would review these requests and determine if the institutions qualify for the next tier of funding. Regent Feuerborn moved to approve, and Regent Van Etten seconded. The motion carried. The new funding tiers will go into effect for the 2017 academic year.

(Performance Agreement Funding Guidelines filed with Official Minutes)

Fiscal Affairs and Audit

BOARD'S HIGHER EDUCATION UNIFIED APPROPRIATION REQUEST FOR FY 2019

Elaine Frisbie, Vice President for Finance and Administration, introduced the Board's proposed Higher Education Unified Appropriation Request for FY 2019. At the August budget workshop and retreat, the Board received information and discussed the different institutional and sector budget requests. The Board discussed its priorities and simplifying its message. The Regents concurred that the restoration of the FY 2017 allotment is the Board's top priority. The Board then discussed how the other requests should be included in the unified request and whether institutions should advocate for the other requests. Following discussion, Regent Murfin moved to approve making the restoration of the four percent allotment the Board's top priority. Regent Bangerter seconded, and the motion carried. Regent Newton moved to include in the narrative of the Board's budget request the funding for the Excel in CTE Initiative and Emporia State University's School of Nursing as the second tier requests and then the other institutional and sector requests as the third tier. Regent Van Etten seconded. It was clarified that institutions may advocate for the items included in the narrative of the Board's budget request but the restoration is the system's top priority. The motion carried.

(Summary List filed with Official Minutes)

Governance

BOARD MEMBER CONFLICT OF INTEREST DISCLOSURE STATEMENTS

General Counsel Miller presented a summary of reported items from the Board Member Conflict of Interest Disclosure Statements. The following disclosures were made:

1. One Regent will serve on the *governing* board of an institution that is *coordinated* by the Board:
 - Regent Van Etten will serve as the Kansas Board of Regents appointee to the Board of Regents of Washburn University pursuant to statutory requirement.
2. One Regent has reported service on the *governing* board of a non-controlled *affiliated corporation* of an institution that is *governed* by the Board:
 - Regent Murfin serves as a member of the Board of Trustees of the Kansas University Endowment Association, a non-controlled affiliated corporation of the University of Kansas.
3. One Regent has reported service on an *advisory* board of an *institution* that is *regulated* by the Board.
 - Regent Murguia serves as a member of the Board of Trustees of the University of Missouri-Kansas City, an out-of-state public institution that has a certificate of approval from the Board to operate within the State of Kansas.
4. Two Regents have reported service on *advisory* boards of *institutions* *governed* by the Board:

- Regent Mullin serves as a member of Kansas State University's College of Business Advisory Council, which is a sounding board for the Kansas State University business program.
 - Regent Murfin serves as a member of the University of Kansas School of Business Board of Advisors.
5. Two Regents have reported an Interest in an entity that has entered a contract or transaction with an *institution* that is *coordinated* by the Board for the performance of services:
- Regent Bangerter owns and operates a law firm (Bangerter Law, P.A.), which has provided legal services to Dodge City Community College in the past and may do so for that or other institutions in the future.
 - Regent Bain is a 40% shareholder and Vice President of a law firm (Cure & Bain, P.C.) that provides legal representation to Northwest Kansas Technical College.
6. Two Regents have reported an Interest in entities that have entered a contract or transaction with an *institution* that is *governed* by the Board:
- Regent Murguia is the executive director of a not-for-profit organization (the Argentine Neighborhood Development Association) that regularly partners with the University of Kansas Medical Center to support the mission of the Association.
 - Regent Murfin has an ownership interest in two companies (MWCB, LLC; BGC Developers, LLC) that have one or more construction or real property related contracts with Wichita State University or its affiliated corporations, and three companies (Executive Airshare, LLC; Gladiators, LLC; and Air Capital Flight Line, LLC) that have one or more working relationships with the University of Kansas, Kansas State University and Wichita State University or their affiliated corporations.

Regent Bangerter moved to approve the continued service of Board members serving on the boards listed above, conditioned on each member's recognition that their duty is first to the Board of Regents, and for the Regents named in 5 and 6 above, they are to excuse themselves from participating on behalf of the Board in matters involving or related to the contract or transaction. Regent Van Etten seconded, and the motion carried. Regent Murfin abstained.

Other Matters

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Scott Smathers, Vice President of Workforce Development, presented the Kansas Postsecondary Technical Education Authority (TEA) Report. At the last meeting, the TEA received information on the training that occurs at the Kansas Center for Career and Technical Education and approved awarding Flint Hills Technical College a State Innovative Technology Internship Grant. The TEA discussed its strategic priorities including military articulation, the reauthorization of Carl D. Perkins, and the data collection and program review process. The TEA also discussed assigning members to the two-year institutions, which will increase communication between the Authority and the colleges.

BREAK

The Chair called for a break at 10:45 a.m. and resumed the meeting at 10:55 a.m.

KANSAS PLACEMENT/ASSESSMENT GUIDELINES

Vice President Redeker introduced Regena Aye, a member of the Placement Assessment Policy Committee. Dr. Aye stated that this Committee was tasked by the Developmental Education Work Group to draft Kansas Placement/Assessment Guidelines. The Committee recommends having standardized assessment test options statewide, which will increase consistency among colleges and reduce the number of over- or under-placed students. The Guidelines also standardize cut-off scores for placement in developmental education courses. The Board discussed developmental education, and it was noted that in September 2013, the Board received a set of recommendations from the Developmental Education Work Group for redesigning developmental education across the system. Regent Bangerter wants the Board Academic Affairs Standing Committee to review the Work Group's recommendations. Regent Van Etten moved to approve the Kansas Placement/Assessment Guidelines. Regent Feuerborn seconded, and the motion carried.

(Kansas Placement/Assessment Guidelines filed with Official Minutes)

AMEND AGENDA

The Chair amended the agenda to make the Board Goals the next item.

BOARD GOALS FOR 2017-2018

At the August retreat, the Board discussed goals for the upcoming year. Regent Newton moved to approve, and Regent Van Etten seconded. The motion carried. The following Board Goals were adopted:

1. To increase opportunities for high school students, the Board will form a Concurrent Enrollment Program Taskforce to identify opportunities to expand concurrent enrollment in the state. The final report will be delivered to the Legislature at the beginning of the 2018 session.
2. The Board will study ways to simplify the undergraduate admission application process with a specific focus on Qualified Admissions precollege curriculum course requirements.
3. The Board will support the expansion of the *Apply Kansas: College Application Month* campaign to additional high schools to provide more students, including low-income and first-generation students, with the opportunity to apply to college.
4. The Board will designate the Council of Business Officers to collaborate on new approaches to gain greater efficiency.
5. The Board will hire a new president at Fort Hays State University.

BREAK

The Chair called for a break at 11:20 a.m. and resumed the meeting at 11:25 a.m.

APPOINTMENTS TO THE VARIOUS BOARD COMMITTEES AND THE WASHBURN BOARD OF REGENTS

Regent Bangerter moved to approve the appointments to the various Board committees and to the Washburn Board of Regents. Regent Mullin seconded, and the motion carried.

(List of Members filed with Official Minutes)

ADJOURNMENT

The Chair adjourned the meeting at 11:26 a.m.

Blake Flanders, President and CEO

David L. Murfin, Chair