

## **KANSAS BOARD OF REGENTS**

### **MINUTES**

October 19-20, 2016

The October 19, 2016, meeting of the Kansas Board of Regents was called to order by Chair Zoe Newton at 1:30 p.m. The meeting was held in the Fort Hays State University Ballroom located in the Memorial Union, 700 College Drive, Hays. Proper notice was given according to law.

MEMBERS PRESENT:

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

### **WELCOME**

Chair Newton thanked Fort Hays State University for hosting the Board meeting this month.

### **APPROVAL OF MINUTES**

Regent Feuerborn moved that the minutes of the September 14, 2016 regular meeting and the September 30, 2016 special meeting be approved. Following the second of Regent Van Etten, the motion carried.

### **INTRODUCTIONS**

President Martin welcomed everyone to Fort Hays State University.

### **GENERAL REPORTS**

#### **REPORT FROM CHAIR**

Chair Newton gave a brief update on the University of Kansas Chancellor Search. She noted the RFP for search firms has been issued and the next steps for the Board will be to select and contract with a search firm, name a chair to the search committee, finalize membership to the search committee, and approve a search committee charge. The Board anticipates completing these tasks by the end of the calendar year. Chair Newton reported she and President Flanders have been traveling around the state meeting with community and technical college presidents. She thanked the presidents for hosting them. Additionally, Chair Newton reported that for the second year in a row Governor Brownback has signed a proclamation declaring October “Apply Kansas: College Application Month.” This year twenty-six Kansas high schools hosted events to help students successfully apply to college.

### REPORT FROM PRESIDENT AND CEO

President Flanders reported the Kansas State University Presidential Search is continuing to make progress. He thanked Regent Mullin for all the time he has dedicated to the process.

### REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

President Krull presented the System Council of Presidents' report. The Council received a report from the System Council of Chief Academic Officers regarding the progress of transfer and articulation, credit by examination, credit for prior learning, and program articulation. The Academic Officers noted Board staff will be compiling an inventory of all the program articulation agreements that are currently in place. Additionally, the System Council of Presidents discussed simplifying the performance agreements by aligning them with attainment goals and other institutional performance indicators. The Council will create a working group to recommend ways to streamline the performance agreement process.

### REPORT FROM COUNCIL OF PRESIDENTS

Chancellor Gray-Little announced that this year's winner of the Nobel Peace Prize, Juan Manuel Santos, is a University of Kansas graduate. The Chancellor then presented the Council of Presidents' report. The CEOs received a report from the Council of Chief Academic Officers on program requests. The Council of Presidents approved Kansas State University's Doctorate of Philosophy in Leadership Communication. This program will be forwarded to the Board for consideration next month. The Council of Business Officers gave an update on the graduate student health insurance premium subsidy and the health insurance issues regarding the J1 and J2 visa holders. The U.S. Department of State sets the health insurance requirements for these visa holders and one requirement is that their deductible cannot exceed \$500. The State of Kansas deductible for Plan A was increased to \$1,000 for next year, which means the state health insurance plan will no longer meet the U.S. Department of State's standards for these individuals. The universities are working to address this issue. The Government Relations Officers reported higher education day at the Capitol will be held on January 19, 2017, and the University Support Staff reported on ways to increase staff morale on the campuses.

### REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

The report for the Council of Faculty Senate Presidents was presented by Pam Keller. The Council discussed the implementation of the Credit by Examination policy. The faculty senate presidents have shared the policy with the department chairs at the universities. The next step is to have the chairs determine if their discipline wants to establish higher AP and CLEP scores than what is recommended. If a discipline does want a higher score, those department chairs will need to establish a systemwide AP and CLEP score for that specific discipline. Ms. Keller stated that the information collected so far indicates most disciplines are satisfied with an AP exam score of 3 and the minimum CLEP scores. Additionally, the Council received updates on each university's concealed carry policies.

### REPORT FROM STUDENTS' ADVISORY COMMITTEE

Stephonn Alcorn presented the Students' Advisory Committee report. The Committee discussed the different campus concealed carry policies. The Committee believes there is a lot of misinformation on the campuses about the concealed carry law and thinks more communication is needed on the law and policies to better educate the student body. The students discussed the

graduate student health insurance issue and expressed their appreciation for the work being done to solve the issue. Additionally, the Committee voted to support the Board's legislative resolution regarding *Foresight 2020*.

## **STANDING COMMITTEE AND OTHER REPORTS**

### **ACADEMIC AFFAIRS**

Regent Van Etten reported that the Board Academic Affairs Standing Committee conducted a conference call meeting on October 4. The Committee approved forwarding all the academic agenda items to the full Board for consideration and reviewed 14 performance agreements.

### **FISCAL AFFAIRS AND AUDIT**

Regent Bain presented the Board Fiscal Affairs and Audit Standing Committee report. The Committee discussed Wichita State University's request to offer in-state tuition to residents of the nine Kansas City metropolitan area counties in Missouri. The Committee supports this request and forwarded it to the Board for consideration at the November meeting. Board staff reviewed the proposed amendments to the facility policies. These amendments will be brought back to the Committee in November for further review. The Committee discussed the forms the universities submit for the tuition proposals and decided to start discussions on the universities' mandatory cost increases at the February meeting. The Committee received information on Year-Round Pell. Additionally, Board staff reviewed the Board Office FY 2017 operating budget and the Committee approved all the fiscal items on the Board's agenda.

### **GOVERNANCE**

Regent Feuerborn presented the Governance Committee report. The Committee approved forwarding to the Board the proposed Credit by Examination policy. The Committee reviewed the concealed carry policies of Emporia State University, Fort Hays State University, and Kansas State University. Regent Feuerborn reported after all six university policies have been reviewed by the Committee, the policies will be forwarded to the Board for consideration.

## **APPROVAL OF CONSENT AGENDA**

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

### **Academic Affairs**

#### **NEW CERTIFICATE OF APPROVAL WITH DEGREE GRANTING AUTHORITY FOR TRIDENT UNIVERSITY INTERNATIONAL**

Trident University International received approval to be issued a Certificate of Approval to operate in Kansas with degree granting authority. The following degrees will be delivered online by Trident University International:

- Bachelor of Science in Business Administration
- Bachelor of Science in Health Sciences
- Master of Arts in Education
- Master of Business Administration

- Master of Science in Information Technology Management
- Doctor of Educational Leadership

## **CONSIDERATION OF DISCUSSION AGENDA**

### *Academic Affairs*

#### **NAMING OF AN ACADEMIC UNIT**

President Martin requested approval to name the College of Science, Technology and Mathematics in honor of Peter and Pamela Werth who are longtime supporters of the University. Regent Mullin moved to approve, and Regent Van Etten seconded. The motion carried. The College will be named the Peter and Pamela Werth College of Science, Technology and Mathematics.

### *Fiscal Affairs and Audit*

#### **LEASE AGREEMENT WITH PRIVATE DEVELOPER – PSU**

Vice President Frisbie and Shawn Naccarato, Pittsburg State University's Executive Director of the Center for Innovation and Business Development, presented Pittsburg State University's lease agreement with a private developer, The Vecino Group, for its Block 22 project. The lease is for the use of four historic properties in downtown Pittsburg. These properties will be renovated and developed into a living-learning environment. Part of the space will be dedicated to student housing and other parts will be dedicated as innovation spaces, which will be used by both students and local entrepreneurs. The total cost of the project is estimated at \$18,000,000, which will be financed by The Vecino Group. The project will benefit from several classes of tax credits and a grant from the City of Pittsburg. Pittsburg State University will be responsible for the lease payments. The University will also operate and manage the properties through the 20-year lease and will have the option to take possession of the facilities at the end of the lease term. Vice President Frisbie noted that the lease will need to be reviewed and approved by the Kansas Department of Administration before it is finalized.

Regent Bangerter asked about the University's liability and the estimated revenue needed to support the project. Vice President Frisbie stated the facilities that are being leased are not located on state property, which makes this project different from some of the other state university projects that have been presented to the Board. PSU will be liable for only the 20-year lease payments. Mr. Naccarato stated the housing revenues and revenues generated by the economic development units will fund the lease payments. It is estimated that the occupancy level needs to be approximately 75% to meet cash flow needs. He also noted that PSU has been communicating with members of the Legislature and the Kansas Department of Administration throughout this process. Regent Bain moved to approve the lease as presented on the condition that the Kansas Department of Administration also approves the lease. Regent Murguia seconded, and the motion carried.

#### **TRANSFER OF PROPERTY FROM PITTSBURG STATE UNIVERSITY FOUNDATION, INC. TO PITTSBURG STATE UNIVERSITY**

Vice President Frisbie presented Pittsburg State University's request to authorize the transfer of property from the Pittsburg State University Foundation to the University. The two tracts, known

as the O'Malley Prairies, are approximately 12 acres and will be used to support the educational and research objectives of the Biology Department. Regent Murguia moved to approve, and Regent Bain seconded. The motion carried. The following property will be transferred:

Tract No. 1:

That part of the Northeast Quarter of the Northeast Quarter (NE/4, NE/4) of Section Seventeen, Township Thirty-one South, Range Twenty-four East of the Sixth Principal Meridian (17-31-24), Crawford County, Kansas. Beginning at the Northeast corner (NE c) of the said Northeast Quarter (NE/4) of said Section Seventeen (17); thence West Seven Hundred (700) feet; thence South Three Hundred Fifty (350) feet; thence East Seven Hundred (700) feet; thence North Three Hundred Fifty (350) feet to the point of beginning.

Tract No. 2:

That part of the Northwest Quarter of the Northwest Quarter (NW/4, NW/4) of Section Sixteen, Township Thirty-one South, Range Twenty-Four East of the Sixth Principal Meridian (16-31-24), Crawford County, Kansas, lying North and West of the Right-of-Way line of the Missouri Pacific Railway Company.

ANNUAL BUDGET FOR WSU MILL LEVY

Vice President Frisbie presented the FY 2017 mill levy budget proposed by the WSU Board of Trustees. The property tax revenues are estimated at \$7.9 million, and the Trustees are proposing expenditures totaling \$7,861,901 for FY 2017. Regent Murguia moved to approve, and Regent Thomas seconded. The motion carried. The budget is as follows:

**Wichita State University  
City of Wichita/Sedgwick County Mill Levy Budget  
Fiscal Year 2017 Budget**

	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Amount</u></b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>
<b><u>Revenues</u></b>			
Revenue	\$7,442,549	\$7,561,901	\$ 119,352
Contingent Revenue	300,000	300,000	0
Transfer in from Engineering Expansion Grant of Wichita State Innovation Alliance	1,503,728	0	(1,503,728)
<b>Total Revenues</b>	<b>\$9,246,277</b>	<b>\$7,861,901</b>	<b>(\$1,384,376)</b>
<b><u>Expenditures</u></b>			
<b>Capital Improvements</b>			
Debt Service (Series 2013-1 Refunding)	\$1,510,500	\$1,512,000	\$1,500
Debt Service (Series 2014-3)	1,898,912	0	(1,898,912)
National Center for Aviation Training Support	800,000	800,000	0
WSU Innovation Campus	0	513,036	513,096
Building Insurance	20,396	20,396	0

<b>Total Capital Improvements</b>	<b>\$4,229,808</b>	<b>\$2,845,432</b>	<b>(\$1,384,376)</b>
<b>Student Support</b>			
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
<b>Total Student Support</b>	<b>\$4,213,469</b>	<b>\$4,213,469</b>	<b>\$0</b>
<b>Economic and Community Development</b>			
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
<b>Total Economic and Community Development</b>	<b>\$446,000</b>	<b>\$446,000</b>	<b>\$0</b>
<b>University Research and Support Services</b>			
Organization and Development	\$57,000	\$57,000	\$0
<b>Total University Research and Support Services</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$0</b>
<b>Contingency</b>			
Contingency	\$300,000	\$300,000	\$0
<b>Total Contingency</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$0</b>
<b>Total Expenditures</b>	<b>\$9,246,277</b>	<b>\$7,861,901</b>	<b>(\$1,384,376)</b>

**BREAK**

The Chair called for a 15 minute break at 2:45 p.m. and resumed the meeting at 3:00 p.m.

**PROGRESS REPORT ON WICHITA STATE UNIVERSITY'S CONTRACTUAL MARKET-BASED EDUCATION TUITION**

President Bardo gave a progress report on Wichita State University's Contractual Market-Based Education tuition that the Board approved at the October 2015 meeting. President Bardo stated WSU developed online badges (courses one credit hour or less) that are designed for working, non-degree seeking professionals who are seeking a recognized credential to advance in their career and face-to-face short courses that are designed for non-degree seeking professionals working for an organization. Currently, WSU offers nine badges (courses) at a \$100 per class and twenty-five short courses at \$70 per .5 credit hours. The courses have generated \$55,946 in net revenue for the University.

**BOND RESOLUTION FOR PARKING GARAGE PROJECT – WSU**

General Counsel Julene Miller introduced a bond resolution to finance the parking garage project on Wichita State University's campus. The resolution would authorize the issuance of revenue bonds in a total aggregate amount not to exceed \$7,200,000 plus costs. The bonds will be secured with a pledge of generally available unencumbered funds of the University and debt service will be paid from Parking System Revenue Funds. General Counsel Miller noted it is estimated that use of a general pledge for this project will result in approximately \$80,000 savings over the life

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

(Resolution filed with Official Minutes)

### Governance

#### CHANGES TO CEO ASSESSMENT TOOL AND PROCESS

General Counsel Miller introduced proposed changes to the Board's CEO assessment tool and process. The current tool was developed in 2011 by a Regent-led subcommittee. It has been used for the campus 360 surveys and the Board's annual evaluation of each CEO. Last year, the Governance Committee asked staff to review the tool and make recommendations on how to streamline the process. General Counsel Miller presented an updated tool that adjusts the number of questions and how those questions are asked, moves the "Progress Toward Kansas Board of Regents Strategic Plan, *Foresight 2020*" section forward in the tool, and limits the number of approved CEO goals to six. Additional recommendations to streamline the process include directing the CEOs to limit the number of pages in the CEO self-evaluation to ten that will include an executive summary and change the timing of the Board assessments by conducting them in the months of March, April and May instead of April, May and June.

General Counsel Miller noted this year the Board will be conducting a 360 survey on the Fort Hays State University campus. The last 360 surveys were conducted in 2015 on four of the other university campuses. At that time, the Board decided not to conduct a survey on the Fort Hays campus because President Martin was new to her position.

Regent Thomas moved to approve the changes to the CEO assessment tool and process. Regent Feuerborn seconded, and the motion carried.

(CEO Assessment Tool filed with Official Minutes)

#### AMENDMENTS TO THE COUNCIL OF GOVERNMENT RELATIONS OFFICERS POLICY AND THE INTERACTION WITH LEGISLATURE, COURTS, AND OTHER STATE AGENCIES POLICY

Matt Casey, Director of Government Relations, presented proposed amendments to the Council of Government Relations Officers policy and the Interaction with Legislative, Court, and Other State Agencies policy. The proposed amendments clarify the process for bringing non-budgetary legislative items to the Board and specify when the Council of Government Relations Officers meet. Regent Bain moved to approve, and Regent Feuerborn seconded. The motion carried. The following policy amendments were adopted:

### **CHAPTER I: BOARD OF REGENTS MEMBERS, OPERATIONS AND STAFF**

#### **A. BOARD MEMBERS AND BOARD OPERATIONS**

##### **4. COUNCILS AND COMMITTEES**

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e. Council of Government Relations Officers

i. The Council of Government Relations Officers, established in 2011, consists of the director of government relations ~~and communications~~ for the Board and the government relations officer (i.e. legislative liaison) of each state university. The Council reports to both the Council of Presidents and the Board President and Chief Executive Officer. Two members of the Council will serve as co-chairpersons: One shall be from the same institution as the chair of the Council of Presidents, and the other shall be the director of government relations ~~and communications~~ for the Board.

ii. The Council of Government Relations Officers' official function is to advise the Council of Presidents and the Board President and Chief Executive Officer, as well as the Board, on matters relating to pending or proposed legislation and on matters related to government relations generally. The Council meets monthly during the months ~~the Legislature is not in session~~, September through June with an annual retreat, and on a weekly or as-needed basis during the legislative session.

## CHAPTER II: GOVERNANCE – STATE UNIVERSITIES

### F. OTHER

#### 1. INTERACTION WITH LEGISLATURE, COURTS, AND OTHER STATE AGENCIES

##### a Legislative Appearances and Committee Hearings

State university employees should make every effort to accommodate legislative committee requests to provide expert testimony on proposed legislation. The university shall notify the Board President and Chief Executive Officer of the invitation.

##### b Legislative Requests and Proposed Legislation (Also see FISCAL MANAGEMENT AND BUSINESS ADMINISTRATION)

i All requests for funds, programs, changes in legislation and new legislation affecting the Board and system institutions shall be submitted to the Board for consideration no later than the November meeting of the Board. Emergency situations may warrant special exceptions, but to the extent possible, no request for legislation during the ongoing legislative session shall be submitted after the March meeting of the Board. Non-budgetary legislative items shall be submitted by the government relations officer of the institution to the Board's director of government relations and shall contain actual bill language when possible. Requests for funds, programs, changes in legislation and new



legislation that are approved by the Board shall be included in the Board's annual legislative proposals. Requests that are not approved by the Board shall not be submitted to the Legislature for introduction.

- ii Once approval has been granted, all institutions are authorized to work for these requests and each institution is expected to support the entire request. Conversely, all institutions are prohibited from requesting or working for additional legislation or funds.
  - iii When legislation having an effect on the operation of the higher education system, proposed by someone or some group other than the Board, is brought to the Board's attention, it shall be the responsibility of the Board to make a decision as to whether the position of the system is that of support, non-support, or opposition.
- c Legislative Post Audit Reports
- i Each state university, upon receiving notification from the Legislative Division of Post Audit that a performance or financial audit of the university is to be conducted, shall forward such notification to the Board President and Chief Executive Officer. Each state university shall submit a written report to the Board, in accordance with the schedule maintained on the Board of Regents' website, detailing progress during the preceding calendar year toward implementation of accepted Post Audit recommendations. This report shall be made on an annual basis until all accepted recommendations have been fully implemented.
  - ii Discussion of pending or anticipated Legislative Post Audits shall be a standing item on the Board's Fiscal Affairs and Audit Committee agenda.
- d Information Requests from Other State Agencies
- i Systemwide Requests: Requests directed to state universities for systemwide information from other state agencies or other branches of state government shall be transmitted through the Board office. State universities receiving requests directly from other state agencies or branches of state government shall advise the requesting party of this policy and advise the Board office of the request. When time is not sufficient to allow transmission of responses through the Board office, responses may be submitted directly to the requesting party with copies to the Board office.
  - ii University-Specific Requests: Responses to requests received by a state university for information related specifically to that university may be sent directly to the requesting party, with a copy to the Board office.

Other MattersNON-BUDGETARY LEGISLATIVE PROPOSALS (FIRST READ)

Matt Casey, Director of Government Relations, presented the first read of the following non-budgetary legislative items:

- 1) Foresight 2020 Strategic Plan Concurrent Resolution
- 2) Proposed Private and Out-of-State Postsecondary fee statute amendment
- 3) Authority to sell multiple properties – KSU
- 4) Wichita State University property exchange with Kansas Gas and Electric Company (KG&E), a wholly-owned subsidiary of Westar Energy, Inc.

He noted the Wichita Area Technical College and Wichita State University merger language is still being finalized and will be brought to the Board for first read in November.

ADJOURNMENT

Chair Newton adjourned the meeting at 3:20 p.m.

RECONVENE

The Board reconvened at 8:00 a.m. on Thursday, October 20 for the Fort Hays State University campus visit in the Stouffer Lounge located in the Memorial Union (700 College Drive).

MEMBERS PRESENT:

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

FORT HAYS STATE UNIVERSITY CAMPUS VISIT

The Board met with different constituent groups on the campus including members from the Faculty Senate, the University Support Staff Senate, and the Student Government. The Board also went on a campus walking and driving tour.

EXECUTIVE SESSION

At 1:15 p.m., Regent Feuerborn moved, followed by the second of Regent Mullin, to recess into executive session for 25 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board, President Flanders, and President Martin. At 1:40 p.m., the meeting returned to open session.

**ADJOURNMENT**

Chair Newton adjourned the meeting at 1:40 p.m.

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Blake Flanders, President and CEO

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Zoe F. Newton, Chair