

KANSAS BOARD OF REGENTS

MINUTES

July 27-29, 2021

The Kansas Board of Regents Budget Workshop and annual Retreat was called to order by Chair Cheryl Harrison-Lee on Tuesday, July 27, 2021 at 1:04 p.m. The meeting was held in Conference Room I, II, and III at the Hyatt Place Kansas City, 8741 Ryckert Street, Lenexa, KS 66219. Proper notice was given according to law.

MEMBERS PRESENT:

- Cheryl Harrison-Lee, Chair
- Jon Rolph, Vice Chair
- Bill Feuerborn
- Mark Hutton
- Carl Ice
- Shelly Kiblinger
- Cynthia Lane
- Allen Schmidt
- Wint Winter

WELCOME

Chair Harrison-Lee welcomed everyone to the Budget Workshop and Retreat.

BUDGET OVERVIEW

Elaine Frisbie, Vice President for Finance and Administration, reviewed the state's budget process. Kansas operates on a fiscal year basis from July 1 through June 30. The State General Fund (SGF) receives the most attention in the budgetary process because it is the largest source of uncommitted revenue available to the state. The Legislature adopted its FY 2022 budget in April and enacted two more appropriation bills during its omnibus session that included additional funding for higher education. Vice President Frisbie noted that when the Legislature adjourned, the FY 2022 budget had a \$547.2 million ending balance, which was short of the statutory 7.5 percent requirement. However after the Legislature's adjournment, the state took in an additional \$766.1 million in tax revenues during April, May, and June. With this influx of tax revenue, the beginning balance for the FY 2022 state budget is \$1.8 billion, which is a record balance for the state. Vice President Frisbie also reviewed the state's expenditures and a projection for the FY 2023 budget.

Vice President Frisbie reported that the each of the three federal COVID-19 relief packages included money for K-12 and postsecondary education. They also contained maintenance of effort requirements that the state must meet to be eligible for the federal stimulus dollars. Vice President Frisbie stated that under the CRRSA Act, state support for K-12 and state support for higher education in FY 2022 must each be maintained at the average level for FY 2017 through FY 2019 proportional to the overall state budget. Earlier this year, Governor Kelly issued a Governor's budget amendment (GBA) that outlined the issues with the maintenance of effort requirement dealing with the amount of State General Fund support going to higher education and calculated that the higher education system needed to receive an additional \$106 million for both FY 2022 and FY 2023 in order to meet the requirement. The Governor's GBA, however, added only \$53 million to the higher education system for FY 2022 along with a suggestion that Kansas seek a

waiver for the remainder of the \$53 million. The Legislature adopted the Governor's recommendation, and Vice President Frisbie noted that the Governor's Office will submit the request for a waiver this fall. It was noted that the increased revenues that the state collected may impact whether the federal government grants the waiver. Vice President Frisbie also highlighted that the Legislature made it clear that these funds are for one time use in the two years with an MOE requirement, and that they intend to pull these dollars back in FY 2024.

Vice President Frisbie reported that the Legislature created a seven-member SPARK Executive Committee to review all federal COVID-19 related funding coming to the state. The federal act limits uses of the money to initiatives that respond to the public health emergency or negative economic impacts of the pandemic, provide premium pay to essential workers, offset cuts to government services, or make investments in water, sewer and broadband. Regent Rolph, who is a member of the Executive Committee, stated that the Committee is currently working on procedures and processes for evaluating funding requests. This Committee will have much more time to consider and approve funding requests than the group that processed Coronavirus Relief Fund dollars in 2020, which had only a few months for the money to be allocated and spent.

Vice President Frisbie reported that revenues of the state's public higher education system in FY 2019 totaled \$3.96 billion, of which \$3 billion is attributable to the state universities. The key categories of revenue sources for the public institutions are state appropriations, student tuition and fees, federal and private grants, auxiliary enterprises, local support, and affiliated component units. Vice President Frisbie noted the percentage of revenue collected in each category will vary by sector and institution. On the expenditure side, the 32 public postsecondary institutions spent nearly \$2.19 billion (57.6 percent) on salaries and benefits. The next major expense for the system is the operation and maintenance of the physical plant, which accounts for 6.9 percent of the total expenditures across the system. Vice President Frisbie also reviewed the Composite Financial Index data for the state universities, which can be used to help assess the financial health of an institution, with the caveat that the data includes the affiliated corporations, including the foundations.

UNIVERSITY BUDGETS

President Mason presented an overview on Fort Hays State University. The University's total general use revenue for FY 2021 (\$79,987,836) was slightly down compared to FY 2020 (\$81,642,032). The decrease in revenue is due to a decline in student credit hour production for both its on campus and online programs (tuition revenues) and a reduction to the University's portion from the State General Fund (SGF). In FY 2021, the University's China program saw a slight increase in its credit hour production compared to FY 2020, which resulted in a revenue gain of \$666,420 for the program. FHSU is projecting that its China Program will be down 900 students this fall (headcount) and 150 students in the spring. President Mason reviewed the University's expenditures and noted that in a normal year, FHSU uses almost 100 percent of its SGF appropriation for salaries. President Mason stated that FHSU has a reduction management plan that it uses to stay financially stable. Part of that process includes sweeping funds to cover projected losses. President Mason noted at the beginning of last year the University swept funds to budget for a projected seven percent enrollment decline. However, after the enrollment data was finalized, the University had only a three percent decline and was able to reinvest the unused swept funds. President Mason stated this year the University will sweep funds to budget for a nine

percent enrollment decline and will reinvest any available funds after enrollments are confirmed. The University also has a Strategic Enrollment Management Plan, and President Mason noted that in order to grow, the University will invest resources in recruitment, marketing, and personnel. She also reviewed the University's five-year budgetary projections and how the University has spent its COVID-19 federal funds. The Regents asked about specific strategies the University plans to utilize to increase enrollments. President Mason stated that one strategy is to increase out-of-state student enrollment on campus and noted that expanding its contiguous states tuition rate to nine additional states, which the Board approved in June, should bring additional students to the campus. President Mason also noted that FHSU is moving to a centralized advising model to increase student retention and graduation rates. President Mason also discussed the progress of the Southwest Kansas Initiative and noted that students from Dodge City Community College and Garden City Community College are enrolling and graduating in the University's Social Work and Nursing programs.

Jeff DeWitt, KU's Executive Vice Chancellor for Finance, presented information on the University of Kansas. When comparing student headcount enrollments between the fall of 2019 and the fall of 2020, KU saw a decrease of 804 students. The student headcount on the Lawrence and Edward campuses decreased from 24,629 in 2019 to 23,964 in 2020 and the Medical Center decreased from 3,794 in 2019 to 3,655 in 2020. Vice Chancellor DeWitt noted that declining student enrollment in higher education is a national trend and it is predicted that it will continue to decline for another decade because of low unemployment, slow population growth, and rising tuition costs, with the universities also impacted by declining state support. Vice Chancellor DeWitt discussed the financial challenges that KU is facing, which mostly centers around its Lawrence campus. He noted that state funding for the University has never recovered since the "Great Recession" of 2008 and that tuition revenues have slowed due to enrollment challenges. Because of these factors and others, revenues for the University have not grown at the same rate as its costs to operate. To address budgetary shortfalls, KU has implemented cost saving measures over the years that have included hiring freezes, salary reductions, voluntary retirement payouts, and budget sweeps. Vice Chancellor DeWitt stated that KU is working on long term solutions to its budgetary structure, which will include strategies to increase enrollments, help students persist and graduate, improve research administration, and control expenses by looking for additional efficiencies. Vice Chancellor DeWitt also noted that beginning in FY 2023, KU will begin funding the required maintenance assessment that the Board approved in June to address annual and deferred maintenance needs. At full phase-in (FY 2028) the maintenance assessment will be approximately 13 percent of tuition at the Lawrence campus and 34 percent of the Medical Center's tuition or the equivalent of 20 percent of state funding for the Lawrence campus and Medical Center combined. Vice Chancellor DeWitt also reported on how the federal COVID-19 relief funds were spent on the campuses. The Board discussed the importance of expanding the University's research enterprise and acknowledged the difficult decisions that KU is making to address its fiscal challenges.

BREAK

Chair Harrison-Lee called for a break at 2:55 p.m. and resumed the meeting at 3:18 p.m.

President Scott presented an overview of Pittsburg State University. After the economic downturn in 2008, enrollments increased at PSU because there were high unemployment rates, and people

returned to higher education to increase their skill levels. However, over the last several years, as the unemployment rate decreased, so did the University's enrollments. President Scott stated that PSU implemented key initiatives to grow enrollments including new marketing and communication campaigns, improving recruitment efforts, and expanding its Gorilla Advantage program, which enables non-Kansas undergraduate students in certain states to pay the equivalent of in-state tuition. During FY 2019 and 2020, PSU saw improvements in enrollments before the COVID-19 pandemic hit. President Scott reviewed the University's revenues and noted the University is taking in less tuition revenue because of its enrollment challenges. PSU addressed its increasing expenditures by implementing cost saving measures including eliminating 130 positions. President Scott also noted that the University's annual debt service has declined \$1.2 million over four years, which was accomplished by retiring older debt issuances and refinancing. On the academic side, PSU implemented a Return on Investment Model that calculates net contribution from each program and academic department. The Model is used by the Provost to drive budget and resource decisions and in program evaluation. President Scott also spoke about the difficulties of attracting and retaining quality employees because of salary gaps and believes additional resources must be added to salaries if the University wants to stay competitive. He also highlighted PSU's tuition and fee rates and noted that the University continues to be less expensive than all its peer institutions. Regent Winter asked about additional strategies the University is implementing to grow enrollments. President Scott stated that PSU adjusted its marketing strategies to target the University's top programs, which will drive enrollment on the campus. Some of those programs are housed in PSU's Kansas Technology Center.

President Myers stated that Kansas State University has a unique role as the state's land-grant institution in providing access to education, research and outreach to the communities and citizens of Kansas. He reviewed the University's budget and noted that KSU lost \$96 million in revenue due to the pandemic. Like the other state universities, KSU had to reduce expenditures over the years to offset the decline in state funding and tuition revenues. Since 2014, KSU's faculty who are supported by general use funding has declined by 150 FTE (10%) and its staff has declined by 479 FTE (24%). President Myers reviewed KSU's new funding model and noted that research and philanthropy revenue streams have grown, and those revenues have been used to fill part of the gap left by state funding and enrollment declines. He stated total extramural funding garnered by Kansas State University has increased for the fifth year in a row, for a net increase of 55 percent since Fiscal Year (FY) 2016. In FY 2020, KSU's researchers obtained 1,139 awards for a record total of \$200,274,495, a 15 percent increase over FY 2019. These awards represented a 28 percent increase in federal funding. President Myers noted that a significant portion of these funds are spent in the state on research personnel. Looking ahead, President Myers stated that KSU is working to revitalize its academic portfolio and is in the process of implementing its new enrollment management plan. Key components of the plan include attracting more out-of-state students, updating ways to engage with in-state recruiting networks, implementing the new tuition and fee structure that the Board approved in June, reviewing the University's scholarship structures, and increasing student retention and graduation rates. President Myers also reported on the University's COVID-19 relief funding and echoed President Scott's concerns on finding resources to stay competitive in the salary market. The Board discussed the importance of leveraging the University's assets to grow research and business and industry partnerships.

President Garrett stated that Emporia State University's mission is to prepare students for lifelong learning, rewarding careers, and adaptive leadership, and its main goal is to stay affordable, so students have access. President Garrett reviewed the University's budget for FY 2022, which totals \$106,759,775. The budget includes the maintenance of effort funds that the Legislature passed this year and the partial restoration of SGF appropriations that were cut. ESU will need an additional \$650,000 in SGF to restore the full cut. In order to make up for lost revenues in state funding and tuition revenues, ESU has cut \$5.5 million from its FY 2021 budget, which included eliminating 54 positions and low performing academic programs. Regarding enrollments, ESU had several years of declining enrollments but was making progress to reverse the trends before the pandemic hit. Undergraduate enrollments were impacted the most with the biggest decline in freshmen enrollments while graduate enrollments increased. On a positive note, President Garrett highlighted that ESU had its third-consecutive year of a record-setting student retention rate and is hopeful that that trend will continue this fall. The University has also increased its six-year graduation rate. Regarding 2021 fall enrollments, President Garrett believes that freshmen enrollments will be down again along with international students. However, international students could take online courses, which are not calculated in ESU's predictive model. President Garrett also believe that graduate student enrollment will continue to be stable. Additionally, President Garrett stated that ESU is making targeted investments in programs that are vital to the University's mission and the state and noted that all new academic program requests must include market studies and a pro forma financial statement. Regent Hutton asked whether the growth in graduate student enrollment was linked to a specific program. President Garrett noted the majority of the growth is in the online programs but also highlighted ESU's expansion in its business programs and Teacher's College.

The mission of Wichita State University is to be an essential educational, cultural and economic driver for Kansas and the greater public good. President Muma highlighted that 50 percent of WSU's undergraduate student body are first-generation and that the University is on track to becoming a Hispanic Serving Institution by 2030. President Muma then reviewed WSU's FY 2022 budget that totals \$529.1 million and includes restricted use funds (67.1 percent) and general use funds (16.3 percent tuition, 15.9 percent state general fund, and 0.7 percent maintenance of effort). He stated that WSU has cut 184 positions and made \$28 million in internal general use fund cuts/reallocations during the past six years to address fiscal challenges. Regarding enrollment, WSU saw a slight dip last year due to the pandemic, but President Muma is hopeful that enrollments will bounce back this year and noted that applications are up from last year. WSU has set a goal to grow its enrollment to 17,000 students by 2025, which does not include Wichita State University Campus of Applied Science and Technology's (WSU Tech) enrollments. WSU Tech has set its own enrollment goal to grow from 9,000 to 12,000 students by 2025. He then spoke about the University's role in supporting businesses and the Kansas economy. He gave examples of organizations and companies that are located on the Innovation Campus and highlighted the importance of connecting students with local businesses to retain talent in the state. Dr. Muma stated last year more than 5,000 Wichita State students had paid applied learning and other campus employment experiences, totaling more than \$27 million in wages. WSU also recently established The National Institute for Research and Digital Transformation, which will focus on developing technology that can transform other industries to drive economic development. Dr. Muma noted that WSU and KU are exploring the feasibility of combining the strengths of WSU's College of Health Professions with KU's Medical School-Wichita to create

one academic health science center. Regent Winter noted that WSU has increased its research expenditure over the last several years and wanted to know if the growth can be modeled at other institutions. President Muma stated the main reason for the increase is the Innovation Campus and the impact of companies with a physical presence on the campus. WSU's National Institute for Aviation Research has also impacted the University's research enterprise with its success in attracting research opportunities.

(PowerPoints filed with Official Minutes)

UNIVERSITIES' STUDENT HEALTH CENTER OPERATIONS

Brian White, KU's General Counsel, presented information on KU's student health center operations. The mission of student health clinics is to support students' learning experience on campus by meeting their basic health and wellness needs. At the KU Lawrence campus, around 59 percent of undergraduate students received services at the Watkins Student Health Center last year, which is down from previous years because of the pandemic. General Counsel White stated that during the 2018-2019 academic year, KU Athletics began collaborating with The University of Kansas Health System and Lawrence Memorial Hospital (LMH) Health to launch Kansas Team Health, a new model of care that expanded resources and shifted medical oversight and management out of KU Athletics to the partners to minimize conflicts of interest. This was done in response to incidents involving abuse of student athletes that occurred at other universities. Chancellor Girod then prioritized using the same model to transition management and oversight of the Watkins Student Health Center. The transition of the Watkins Center with The University of Kansas Health System and LMH Health has been completed and included shifting 60 employees into the new partners' systems, establishing a new governance structure, and aligning clinical and administrative practices and operations. General Counsel White noted the new partnership benefits students by providing seamless continuity of care while keeping a stable cost structure. He reviewed the current financial structure for the Watkins Center and noted that the transition added no additional costs to KU. Moving forward, KU will continue to review additional operational and cost saving options including leveraging its health partners' contracts and processes where appropriate. Regent Hutton thanked General Counsel White for the information and noted that he wants to look at the health center structures all on the state university campuses.

(PowerPoint filed with Official Minutes)

ADJOURNMENT

The Chair adjourned the meeting at 5:39 p.m.

CALL TO ORDER

Chair Harrison-Lee called to order the July 28, 2021 meeting at 10:30 a.m.

MEMBERS PRESENT:

- Cheryl Harrison-Lee, Chair
- Jon Rolph, Vice Chair
- Bill Feuerborn
- Mark Hutton
- Carl Ice
- Shelly Kiblinger

Cynthia Lane
Allen Schmidt
Wint Winter

NEXT STEPS TO IMPLEMENT FACILITIES CAPITAL RENEWAL INITIATIVE

Chad Bristow reviewed the past timeline and progress milestones for the Board's Facilities Capital Renewal Initiative. At the August 2019 retreat, the Board began the process of addressing the deferred maintenance issues on the state university campuses by commissioning two studies. Accruent LLC (now Gordian) conducted a detailed condition assessment of university mission critical buildings and Gould Evans in association with Rickes Associates conducted a space utilization review. It was noted that not all buildings were included in the scope of the space utilization review, only buildings with instructional spaces specifically scheduled for classes during the Fall 2019 semester. The studies resulted in a foundational database that will serve as a consistent, systemwide source of information about the quality and status of state-owned, university facilities. Director Bristow stated that at the beginning of 2021, Board and university staff began developing a policy framework that the Board reviewed and discussed over several Board meetings. At the June 2021 meeting, the Board adopted new and updated sections of facilities policy, allocated Educational Building Fund (EBF) cash reserves so the system could hire the consultants for additional work on developing guidelines, decided on a six-year escalator to fully fund the 2% annual Maintenance Assessment, which begins in FY 2023, and noted that the Board will seek additional federal and state revenues for launching the university facilities capital renewal.

Director Bristow stated that this year the proposed next step for the Facilities Capital Renewal Initiative is to develop the Board's University Facilities Guidelines. To accomplish this task, the Board's consultants will be asked to help the system identify strategies, process, procedures, best practices, target metrics and performance indicators that will be included in the Guidelines. Additionally, the Board will seek additional funding sources.

The Board discussed the importance of the Initiative and what has been done so far to help the universities move forward. It was noted that during the last legislative session, the Legislature removed the square foot formula in the Education Building Fund appropriation, which gives the Board more flexibility, and as a result, the new sections of facilities policy, which were adopted in June, now clarify that buildings razed after June 2021 will not impact the proportional allocation of future EBF in the 2007 adjusted square footage formula. Regent Hutton stated that not penalizing universities for removing buildings is a big incentive and it will also decrease the university's annual maintenance assessment, as well as reduce operational costs. Additionally, President Flanders noted that another area the Board could address during the upcoming legislative session is seeking a change so that when a university sells a property the proceeds automatically go back to the university, which could then be used on deferred maintenance.

Regent Rolph stated that he and Chair Harrison-Lee spoke with Governor Kelly and legislative leadership about the Board's plan to address deferred maintenance and noted they support the Board's approach. Regent Rolph also believes there is an opportunity during the upcoming legislative session to secure additional state funding for this initiative. Regent Hutton agrees that now is the time to seek additional state funds and noted the Board could shape its request into

phases with action steps. The initial phase could address razing and/or divesting of obsolete buildings and campus consolidation projects. Regent Schmidt agrees with the seeking funds but believes it needs to be balanced with seeking additional base funding for the universities. Regent Ice stated there can be unintended consequences of taking buildings offline without a solid plan in place and wanted to make sure that the universities have a strategy before seeking funds to demolish buildings. Regent Winter asked whether this initiative is part of the Board's strategic plan. President Flanders stated that it is in the plan, but staff will be bringing a proposal forward to make this initiative a cross-cutting goal in the strategic plan since it impacts all three pillars. President Myers stated that updating facilities is important to attract students and faculty to the campuses but noted that addressing the deferred maintenance issues must be accomplished in partnership with the state. Regent Hutton stated that the purpose of this initiative is to highlight the deferred maintenance issues on the campuses and noted the data collected during the studies shows that the current level of funding is not sufficiently addressing the issues. He also stated that the Board's plan will provide future CEOs action steps for decreasing deferred maintenance. Regent Schmidt stated that the system needs to do a better job of communicating with legislators regarding the level of funding in the EBF and what it covers. He believes the budget request should focus on campus renewal and that this initiative needs to be a partnership with the state. President Flanders stated that Board staff will draft a budget request proposal that for the facilities capital renewal initiative that allows for flexibility to ensure campus buildings are maintained, deferred maintenance is addressed, and the campuses of the state universities are right-sized and revitalized.

(Handout filed with Official Minutes)

BREAK

The Chair called for a break at 11:43 a.m. and resumed the meeting at 1:00 p.m.

BUILDING A FUTURE: ECONOMIC PROSPERITY PILLAR UPDATE

President Flanders reported the third Pillar, Economic Prosperity, of the strategic plan demonstrates how the higher education system supports economic growth in Kansas. This pillar emphasizes the intentional economic development activities of the institutions. Each institution will focus on a mix of its existing strengths and emerging capabilities that together uniquely position the higher education system to partner with business and industry to create jobs and grow the economy. The Board has established five metrics to measure success: family sustaining jobs created, capital investment generated, existing business expansion, business attraction, and business formation/entrepreneurial endeavors. President Flanders noted that in order to achieve the goals for this pillar, the universities will need partnerships with business and industry leaders, local, state, and federal elected officials, the Kansas Department of Commerce, and economic development intermediaries. Regarding funding, the universities are exploring all funding avenues including submitting their proposals to the SPARK Executive Committee since their plans are tied to economic revitalization. The Chancellor stated that additional funding is key for growing programs that support economic development.

BUILDING A FUTURE: NEXT STEPS FOR ADDRESSING ENROLLMENT GAPS FOR UNDER-SERVED STUDENTS

Daniel Archer, Vice President for Academic Affairs, stated that the Board's strategic plan, *Building a Future*, focuses on increasing access, strengthening affordability, increasing

completion rates, and reducing enrollment equity gaps. In January 2021, the Board heard from Dr. Mark Becker, President of Georgia State University, on Georgia State's student success program. The Georgia State model, which is student centered and driven by data, has been successful in helping students from all backgrounds succeed and graduate in record numbers. To help other institutions replicate its model, Georgia State launched its National Institute for Student Success (NISS). Dr. Archer stated that since the purpose and objectives of the NISS align with the Board's goals in *Building a Future*, it was determined that the next step was to have NISS conduct a diagnostic process in which it analyzes and assesses data from the six state universities and one two-year college, Cowley County Community College. The review, which will begin in August 2021, will address areas such as access, affordability, completion, and equity and underscore opportunities for growth in these areas. Then in early 2022, it is anticipated that NISS staff will provide coaching sessions and help participating institutions identify and implement best practices and strategies that will yield improvement in areas of strategic emphasis.

Regent Kiblinger asked that the Board receive progress updates as the institutions move through this process. Regent Harrison-Lee stated that increasing need-based aid will be an important element to addressing equity gaps and it may be something the Board should consider including its budget request. She also noted that Kansas could be the first system in the nation to address equity gaps as a whole and stated she and Dr. Flanders plan to discuss the Board's goals around this topic at the next State Higher Education Executive Officers Association (SHEEO) conference in September. The group discussed addressing remediation issues and the importance of increasing access. President Genandt stated that Excel in CTE is a form of need-based aid that has been successful and noted the initiative has increased access to the colleges. President Johnston noted that business partnerships have been critical for the success of the Excel in CTE initiative because many businesses supply materials and tools for the different programs.

BUILDING A FUTURE: ATTAINMENT GOAL

President Flanders stated that under the Board's previous strategic plan, *Foresight 2020*, the Board adopted an attainment goal to increase to 60 percent the number of Kansas adults who have a certificate, associate degree or a bachelor's degree. At the time it was decided that the higher education system should take on the responsibility of reaching the 60 percent and each institution was assigned targeted goals for increasing the number of awards they grant each year. However, the system struggled with meeting this goal because a state's overall attainment level is influenced by more than the number of degrees produced by the institutions. President Flanders stated that increasing attainment levels in a state is important because studies have shown that most jobs will require some type of postsecondary credential. Georgetown University Center on Education and Workforce released its projections for job and education requirements and noted that in Kansas 71 percent of jobs will require a postsecondary credential. President Flanders stated that this goal includes credentials awarded by higher education institutions as well as registered apprenticeships and other credentials awarded by industry. He stated that for the new strategic plan, *Building a Future*, the Board will need to determine what portion of the 71 percent will be the higher education system's responsibility. It was noted that the Advantage Kansas Coordinating Council is discussing a postsecondary attainment goal for Kansas and the issues surrounding apprenticeships. Regent Kiblinger stated that the Council is also interested in looking at attainment of underrepresented populations. The group then discussed short term credentials and the role the private sector plays in increasing attainment. It was noted that it is difficult to track industry

credentials but there are various methods of providing an approximate number. The Georgetown study does break down attainment by degree level. Since Regent Kiblinger and Regent Lane are members of the Advantage Kansas Coordinating Council, Regent Harrison-Lee asked that they work with President Flanders to identify an attainment goal for the system and asked that their recommendation be brought to the Board this fall.

BREAK

The Chair called for a break at 2:28 p.m. and resumed the meeting at 2:41 p.m.

EXPANDING THE KU EDWARDS AND JOHNSON COUNTY COMMUNITY COLLEGE PILOT PROGRAM

President Johnston stated creating a systemwide general education (GE) package to align programs under a common framework that guarantees seamless transfer is critical for improving student success because it will allow transfer students to shorten their path to completion. Vice President Archer stated that currently the 19-member working group is examining the key elements of creating a systemwide GE package, and he expects to bring the framework and the system for writing outcomes to the Board for consideration in the fall.

Vice President Archer reported in June, the Board received an update on the pilot program that authorized programmatic exceptions to the minimum 60 semester credit hour requirement for the institution awarding the baccalaureate degree for certain transfer agreements between the University of Kansas Edwards Campus and Johnson County Community College (JCCC). During the meeting it was noted that Emporia State University, Pittsburg State University, Kansas State University, Wichita State University, and Washburn University are interesting in participating in the program and the Board discussed expanding the program to all the universities, which would require amending Board policy. Vice President Archer explained that the exception in the pilot program can work for some programs but not for all programs because of accreditation requirements. President Farley stated that Washburn University explored this concept several years ago and plans to move forward with implementing it for specific programs because it benefits students, the University and the community colleges. Regent Schmidt asked how the Board moves forward on this topic. President Flanders stated the Board may want to consider changing its policy so that other universities can participate with the understanding that this concept will not apply to all programs.

BOARD PROGRAM REVIEW PROCESS

Vice President Archer stated that last year the Board expressed a desire to strengthen the efficiency of the systemwide undergraduate degree program inventory and wanted to explore reviewing all undergraduate programs under a program prioritization model framework. Nationally program prioritization models have been used to assist universities in determining if programs should be expanded, added, reduced, consolidated, or eliminated. Under this model, each university would rank its undergraduate programs based on the following ten core criteria: 1) History, development and expectations of the program, 2) External demand for the program, 3) Internal demand for the program, 4) Quality of program inputs and processes, 5) Quality of program outcomes, 6) Size, scope and productivity of the program, 7) Revenue and other resources generated by the program, 8) Costs and other expenses associated with the program, 9) Impact, justification, and overall essentiality of the program, and 10) Opportunity analysis of the program. Dr. Archer noted that

each university would determine the potential data source for each criteria and would develop an internal methodology to measure its programs under the criteria. He also stated that this is just one model, and universities may decide to use different standards.

President Flanders noted that last year the Board looked at the low-enrollment programs and at the end of the process, thought it would be more helpful to look at moving to a prioritization model that the universities conduct at each campus. Regent Kiblinger stated that the Board wanted to see a prioritization model for low-enrollment programs and is supportive of the proposed framework if the universities do not have one. President Garrett noted that each university reviews a mixture of programs each year through their own internal processes because it is required for accreditation and by Board policy. She stated if the objective for this process is to rank all programs, it is unclear on how that would work when not all programs are reviewed during the same timeframe. Chancellor Girod asked for clarity on whether this process replaces the low-enrollment review or the program review policy. President Flanders stated the low-enrollment review policy is another tool the Board can use but sees this process as a way of being more strategic when looking for efficiencies. Regent Hutton noted that his understanding was that the universities were going to rank all their programs and not just the low-enrollment programs. The Board would then evaluate those rankings and make decisions. Regent Kiblinger stated that having the universities rank all programs every year would be a huge lift for the campuses and does not know if it is realistic. Regent Lane asked for clarification on what the Board wants to accomplish by ranking programs. Regent Hutton stated that even with all the review processes in place, it is very difficult to remove low performing programs. He believes that if the Board and universities want to become more efficient, hard decisions are going to need to be made because there are not enough resources for each university to offer everything. The Board discussed the meaning of efficiency and noted that the system needs to do a better job of communicating with outside groups on it has accomplished. Following discussion, Regent Harrison-Lee asked Board staff to look at this topic and provide guidance on how it should move forward.

BOARD'S UNIFIED BUDGET REQUEST

Matt Casey, Director of Government Relations, reviewed the non-budgetary legislative request items identified below. He noted that this is a preliminary list, and more items may be added before the Board receives its first read at the November meeting.

- Development an agreement on a trailer bill for the Promise Act legislation.
- Explore language that would allow more efficiencies for affiliations and partnerships between two institutions.
- Amend K.S.A. 75-6609 (f) to clarify that the proceeds resulting from the sale of universities' real property are retained by the university for addressing deferred maintenance (rather than having to state that in each land sale bill). If not for all real property, then at a minimum, for any real property that was gifted to a university or to a university affiliated corporation.
- Authorize KSU land sale of the pecan field office.
- Authorize KSU land sale of a duplex in Omaha.
- Amend the performance-based incentive payment language to include high school equivalency alongside GED.
- Pursue 2021 SB 215, which amends the motorcycle and truck driver training fund.

- Pursue 2021 SB 344, which would increase options for the 529 savings plan to allow more flexibility for third party contributions.

Vice President Frisbie stated the Kansas Higher Education Coordination Act requires the Board of Regents to develop and present to the Governor and Legislature a unified request for state appropriations for postsecondary education each year. The Board's request must be submitted by October 1. At the June meeting, the institutions submitted proposed items for the Board's FY 2023 request. The Board heard from President Genandt, President Johnston, and President Farley on the priorities for the technical colleges, community colleges and Washburn University. The group then discussed the strategy for the request and based on the discussion, the Board directed staff to draft a unified budget request that includes funds for need-based student financial aid, restoring the remaining FY 2022 SGF budget cut, funds for the Capital Renewal Initiative, funds for the Excel in CTE program, and funds for the postsecondary tiered and non-tiered state aid. Additionally, Regent Hutton suggested that the request include funds to help students persist and graduate and noted the funds should be used on wraparound services. The Board also asked staff to look at ways to make the need-based aid request flexible enough so graduate students can be included. Regent Winter and Regent Ice expressed interest in looking at a base funding request along with these other items. Regent Schmidt stated that he would like to review the Excel in CTE statute to determine if it should be adjusted to include the coverage of additional fees. President Johnston noted that the Board could request onetime funding for the colleges to buy tools for the Excel in CTE, which may address Regent Schmidt's concerns. The Board will act on its unified budget request at the September meeting.

ADJOURNMENT

The Chair adjourned the meeting at 4:54 p.m.

CALL TO ORDER

Chair Harrison-Lee called to order the July 29, 2021 meeting at 9:38 a.m.

MEMBERS PRESENT:

- Cheryl Harrison-Lee, Chair
- Jon Rolph, Vice Chair
- Bill Feuerborn
- Mark Hutton
- Carl Ice
- Shelly Kiblinger
- Cynthia Lane
- Allen Schmidt
- Wint Winter

BOARD COMMITTEES

The Board Academic Affairs Standing Committee, Fiscal Affairs and Audit Standing Committee and Governance Committee met to go over items for the upcoming year. Regent Hutton reviewed the Fiscal Affairs and Audit Standing Committee's traditional agenda topics and noted that the Committee will also focus on the operations of the student health centers, student fees, and the Board's facility renewal initiative. Regent Kiblinger stated that this year the Board Academic Affairs Standing Committee will continue to monitor the progress of new programs that the Board

approved to see if those programs are meeting the targets that the universities' projected. The Committee will also discuss the structure of the performance reports, look at the Board's program review process, and monitor the progress of the Board's General Education Package Initiative. Regent Harrison-Lee reported that the Governance Committee will oversee the Board's communication and advocacy plan this year. The Committee will monitor the rollout of the Board's Freedom of Expression Resolution, will continue to evaluate the university CEO assessment process, and will discuss the university CEO search process.

BREAK

The Chair called for a break at 9:45 a.m. and resumed the meeting at 10:15 a.m.

2021-2022 BOARD GOALS

President Flanders reviewed the goals from last year and noted Board staff will continue to work on the communication plan for the Board's Freedom of Expression Resolution and will continue to buildout the Board's strategic plan. Chair Harrison-Lee identified the below topics that could be turned into Board goals for the upcoming year.

- Next steps for the Board's Facility Renewal Initiative
- Continue to address the enrollment opportunities for under-served student metric in the Board's strategic plan
- Study the financial component of the university student health centers
- Continue to evaluate the university CEO assessment process

Regent Hutton commented that he believes it will be important to seek federal and state funding for the Facility Renewal Initiative this year. Regent Rolph agreed that even one-time federal funds could have a significant impact on the initiative. Regent Winter noted that he would like to pursue legislation so that the proceeds from selling land are returned to the state universities. Regarding student health centers, Regent Hutton stated that he would like more time to study the topic and plans to bring a recommendation to the Board in September.

The Board discussed the enrollment equity gap metric. Board members like the idea of looking at student success advising models, expanding opportunities for internships, and identifying attainment goals for all populations. Regent Hutton stated that it would be helpful to know if specific enrollment initiatives have been successful in the past. Regent Winter asked for information on the current enrollment growth strategies at the institutions and is interested in knowing if out-of-state tuition waivers have impacted enrollments. Regent Ice noted the importance of understanding what the institutions are currently doing to increase enrollments, and Regent Rolph stated that the two-year colleges need to be included in this review. President Flanders stated that Board staff will more fully develop the goals and present them to the Board for consideration at the September meeting.

BOARD MEMBER TRAVEL PROCEDURES

Kelly Oliver, Senior Director of Finance and Administration, reviewed the Regent travel reimbursement process. She noted that as a state agency, the Kansas Board of Regents is subject to external review of any expenditure made from the funds appropriated to the agency. With respect to travel expenses, state statutes and the agency's operating expenditure appropriation

proviso details how Regents' travel expenses may be reimbursed. Director Oliver stated that for Board-related travel outside of regular Board and assigned committee meetings, a Board member must obtain prior written approval from the Board Chair to request travel expense reimbursement. Below are the general travel and salary guidelines for Board members.

Policy:

1. Board of Regents members are entitled to salary compensation, subsistence and travel allowances for attendance at the following activities:
 - a. Board meeting attendance
 - b. Scheduled campus visits to universities
 - c. Attendance and participation in a major campus event such as an inauguration, commencement, a building dedication, or serving on committees or other associated boards when assigned by the Board Chair as an official Board representative
 - d. When specifically invited as a Regent and assigned by the Board Chair to attend major events in the state such as the State of the State.
 - e. Delivering presentations to a legislative body or legislative committees, or meetings with legislators which concern higher education when coordinated by BOR staff.
2. Board of Regents members are entitled to subsistence and travel allowances when participating in matters of educational interest to the State of Kansas. Travel requests for attendance of these events must include a written statement describing the business purpose of the event and be approved in advance by the Board Chair. To request travel approval, email the Board Chair, and copy Board staff at kborfinance@ksbor.org.
3. Salary compensation is for time spent in attendance at activities. The subsistence allowance is reimbursement for lodging and meal expenses. The travel allowance is reimbursement for mileage and toll expenses.

The Regents discussed the importance of visiting university and college campuses. President Flanders noted in the past the Regents divided up college campus visits based on geography, and stated that Board staff could put together a list of colleges in each Regents location. Vice President Smathers noted that the members of the Kansas Postsecondary Technical Education Authority (TEA) also visit assigned community and technical college campuses annually and stated that the list of assigned TEA members can be provided to the Regents if they are interested in coordinating college campus visits. Chair Harrison-Lee asked the Board members to send her an email with any travel requests that are outside the normal Board meetings for approval. Regent Rolph noted that the approval is only needed if the Regent wants his or her travel reimbursed.

HOUSEKEEPING

The Board members signed up for fall commencement ceremonies and reviewed the upcoming Board meeting calendar. The Board came to a consensus that the 2022 budget workshop and retreat will take place the first week in August. Board staff will forward the dates to the Board and the university CEOs. The Board also discussed the process for appointing a new Board chair

and vice chair. General Counsel Miller then distributed the conflict of interest forms for each Regent to complete and noted that the Board will act on any actual or apparent conflicts in September.

President Flanders stated on Monday, August 2, the Kansas State University Presidential Search Committee will meet to discuss the KSU Presidential Profile, which will be used by the search consultant to advertise for the position. He asked the Regents for feedback on what position attributes they would like to include in the document and the following were identified by Board members:

- Presents clear evidence of leadership skills needed to move a university or higher education system forward;
- Is a forward thinking individual who understands the changing environment of higher education and what is needed to grow and thrive;
- Demonstrates the ability to balance all functions associated with being a university president;
- Presents clear evidence of understanding the University's land grant culture, mission and role and understands how to leverage those assets;
- Has a record of successful resource generation through fundraising and has demonstrated the ability to build relationships with local, state, and federal leaders.

President Flanders stated that the KSU Presidential Profile will be presented to the Board for final approval after the Search Committee provides its feedback, which Regent Ice hopes will occur by mid-August. The Board also discussed the timeline for the KSU Presidential search and the Pittsburg State Presidential search.

ADJOURNMENT

Chair Harrison-Lee adjourned the meeting at noon.

Blake Flanders, President and CEO

Cheryl Harrison-Lee, Chair