

KANSAS BOARD OF REGENTS
MINUTES OF SPECIAL MEETING
July 24, 2013

The July 24, 2013, meeting of the Kansas Board of Regents was called to order by Chairman Fred Logan at 8:30 a.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:

Fred Logan, Chairman
Kenny Wilk, Vice Chairman
Shane Bangerter
Ann Brandau-Murguia
Mildred Edwards
Tim Emert
Ed McKechnie
Robba Moran
Helen Van Etten

REPORT FROM CHAIR

Chairman Logan reviewed the August 13-15 Board retreat agenda. The retreat will be held at the Barn Bed and Breakfast Inn in Valley Falls, Kansas. The Chairman also reviewed the proposed committee appointments. He noted he is not appointing representatives to the Kansas Campus Compact or the KSU Research Foundation Board. Both organizations are fine with not having an appointment from the Board of Regents.

Regent McKechnie moved to approve the committee appointments. Regent Emert seconded and the motion carried.

(Appointments filed with Official Minutes)

STATE UNIVERSITY BUDGET REVIEW

Diane Duffy, Vice President of Finance and Administration, stated the Board of Regents is statutorily required to develop and present to the Governor and Legislature a unified budget request for postsecondary education by October 1 of every year. This year the Board asked the state universities to submit the following materials: 1) FY 2014 operating budget, 2) FY 2015 planning budget, 3) a description of how FY 2014 and FY 2015 reductions will be made; and, if the funds were to be restored, how the university would propose to use the restored funds, 4) a brief response to “what a 1% State General Funds (SGF) base increase would mean to the university,” and 5) proposed enhancement requests.

UNIVERSITY OF KANSAS

Chancellor Gray-Little presented an overview of the University of Kansas and discussed how the cuts are going to impact the KU campuses. She stated the University’s top priority is maintaining its AAU membership. Currently, KU’s state funding is lower than most AAU peers

(15th out of 25 public universities). The Chancellor noted the cuts will affect the recruitment and retention of faculty. At the University of Kansas Medical Center, because it has fewer students, it is impossible for tuition to backfill the cuts. She stated the Medical Center will cut 31 positions and leave other vacant positions unfilled. Cuts to the academic programs at the Medical Center's Kansas City campus will include 20 fewer Nursing students, 5 fewer Health Professions students, 4 fewer residency (GME) positions, and 2 fewer positions for students enrolled in the M.D.-Ph.D. program. Additionally, the Chancellor noted the University continues its efforts, with the assistance of a business consultant, to study its business operations and look for more ways to be efficient.

Theresa Gordzica, Chief Planning and Business Officer, reviewed the University of Kansas' budget information. She stated the two top revenue sources in the All-funds budget for the entire university are research grants and tuition. She noted the Medical Center is more dependent on state funding because of the limited number of students who can enroll in their programs. The General use funds at the Medical Center consist of 26% tuition, 67% SGF – Operations, 3% SGF – Medical Scholarships and Loans, and 3% other general use.

Provost Jeff Vitter and Executive Vice Chancellor/Executive Dean Douglas Girod presented KU's FY 2015 proposed enhancement requests. Provost Vitter stated KU is seeking \$2.8 million for implementing its Transforming Student Success and Retention through Course Redesign and Online Technologies initiative. The initiative focuses on two key areas. The first deals with online technologies and analytics and their use in more intentional, purposeful, and integrated academic support services for students. The second is course redesign using online technologies and active learning. This initiative will help KU reach its 10-year goal to obtain a 90% first-year retention rate and 70% six-year graduation rate. Also included in the KU budget materials was a request for recurring state funding in the annual amount of \$2.5 million to build a Kansas Institute for Translational Chemical Biology.

Executive Vice Chancellor Girod stated the priority of the Medical Center is to produce more doctors for Kansas. To accomplish that priority, the Medical Center is seeking \$15 million SGF for the Health Education Building. The other funding sources include \$25 million Medical Center FICA recovery funds, \$20 million private fund raising, and \$15 million tuition and other KUMC resources for a total of \$75 million. The new building would allow the Medical Center to expand the School of Medicine class size by 50 students in Kansas City. The Medical Center is also requesting \$4.5 million to increase the stature of the Medical Center including the School of Medicine in Wichita. Executive Vice Chancellor Girod stated 49% of physicians who graduate from KUMC in Wichita are likely to practice in Kansas and 65% of physicians who graduate from both medical school and a residency program on the Wichita Campus are likely to practice in Kansas.

(PowerPoint filed with Official Minutes)

BREAK

The Chair called for a short break at 10:10 a.m. and resumed the meeting at 10:30 a.m.

KANSAS STATE UNIVERSITY

President Schulz and Cindy Bontrager, Interim Vice President, presented an overview of the budgets for Kansas State University – Main Campus, Kansas State University – Veterinary Medicine, and Kansas State University – ESARP (Extension Systems & Agriculture Research Programs). President Schulz also reviewed KSU's debt service and the K-State Athletics budget.

President Schulz presented Kansas State University's FY 2015 budget enhancement proposals. KSU is requesting \$1.5 million to hire an architect to design the expansion and renovation of Seaton Hall. In FY 2016 this request will increase to \$5 million per year. This investment will be aimed at maintaining and bolstering College of Architecture, Planning, and Design's (APDesign) role as the nexus of state, regional and national design leadership through outreach and research informed by collaborative interdisciplinary activity. The funds will be matched on an annual basis by funds generated by APDesign. KSU's second priority is \$15 million or \$1.5 million per year for debt service to construct a new College of Business Administration building. President Schulz stated the University has raised \$35 million in private gifts. The \$1.5 million from the SGF will be used to fund twenty years of debt service on the remaining building costs of \$15 million. KSU's third priority is \$2 million to enhance Agriculture Research and its fourth request is \$5 million to create a Research Synergy Center.

Following discussion, Regent Logan asked the Board to think about what the policy of the Board should be regarding appropriation requests for new buildings.

BREAK

The Chair called for a short break at 11:55 a.m. and resumed the meeting at 12:00 p.m.

WICHITA STATE UNIVERSITY

Vice President Mary Herrin presented an overview of Wichita State University's budget. She reviewed WSU's FY 2014 operating budget by fund, program, and expenditure classification.

President Bardo presented Wichita State University's FY 2015 enhancement requests. The \$1.2 million request is to extend the University's capacity to engage with business and to support technology transfer. WSU will establish an Office of Business Development which will focus specifically on working with established businesses in the Wichita region to promote and develop joint research and support. WSU's second request is for \$2 million that will be used for planning funds for a Technology Transfer Facility. The funds will establish an office to support the development of the University technology/research park, which is part of WSU's master campus plan. WSU's third request is for \$700,000, which will be used to develop technology transfer capacities through entrepreneurship.

BREAK

Chairman Logan called for a break at 12:50 p.m. and resumed the meeting at 1:50 p.m.

EMPORIA STATE UNIVERSITY

Vice President Ray Hauke reviewed Emporia State University's enrollment and financial information. He stated the fall 2013 enrollment at ESU is up by 141 students and on campus

enrollment is up by 79 students compared to last year. Vice President Hauke noted ESU's future depends upon enrollment growth.

President Shonrock discussed how the University is absorbing the state appropriation reductions and noted ESU has launched a two-year initiative to reduce expenditures by \$2.5 million. President Shonrock also presented ESU's FY 2015 proposed enhancement requests. ESU is requesting \$500,000 to support its Bachelor of Science, Nursing (BSN) program. President Shonrock stated Newman Regional Health has been providing this support for years but may not be able to contribute the same level of funding for the program because of budgetary issues and the University will need to fill that funding hole. ESU's second request is for \$500,000 to establish a Master of Science, Forensics (MS), and its third request is for \$1 million to enhance the Honors Program to an Honors College.

It was noted the Master of Science, Forensics (MS) program has not gone through the Board's program approval process. The Board will continue to discuss whether an appropriation request should be made for a program that has not yet been approved by the Board.

(PowerPoint filed with Official Minutes)

BREAK

The Chair called for a short break at 2:37 p.m. and resumed the meeting at 2:45 p.m.

FORT HAYS STATE UNIVERSITY

President Hammond presented an overview of Fort Hays State University. He stated the Board's strategic plan Foresight 2020 and the University's strategic plan drives the University's budget. FHSU has a commitment to growth. The University's enrollment has grown by 42% from 2007 to 2012, which has allowed FHSU to keep tuition lower. President Hammond discussed the impact of FHSU's virtual college and the Kansas Academy of Mathematics and Science (KAMS). Additionally, he reported on FHSU's commitment to global engagement and the impact the China program has had on the University.

Fort Hays State University's FY 2015 proposed budget requests include \$248,000 for the Kansas Academy of Math and Science (KAMS) Summer Academy and \$760,111 for the Information Systems Engineering program. The KAMS program will allow qualified high school students who do not wish to leave their current high school environment during the school year to participate in KAMS during the summer. The Information Systems Engineering is a systematic and interdisciplinary means of approaching and exploiting information in and across physical, mathematical, business, social science, legal and information science disciplines.

(PowerPoint filed with Official Minutes)

BREAK

Chairman Logan called for a short break at 3:30 p.m. and resumed the meeting at 3:40 p.m.

PITTSBURG STATE UNIVERSITY

President Scott presented an overview of Pittsburg State University's budget. He reviewed PSU's FY 2014 operating budget by program and expenditure classification. President Scott stated PSU's FY 2014 budget reductions equaled \$900,177. The University absorbed the reduction by eliminating 10 employee positions and increasing tuition.

Pittsburg State University's FY 2015 proposed budget requests include \$1 million to create the Kansas Center for CTE Teacher Development and Innovation. The Kansas Center for CTE Teacher Development and Innovation will train and educate high-quality teachers for CTE programs. Also included in PSU's budget materials was a request for \$15 million for the Kansas Technology Center (KTC) expansion. The Kansas Technology Center expansion is a capital request that will provide additional space for the School of Construction and the School of Transportation.

OTHER REQUESTS

Vice President Duffy presented the budgetary requests from the community colleges, technical colleges, Washburn University, and the Board office. She noted the Board's interest in requesting restoration of the FY 2014 and FY 2015 budget cuts. In addition, she noted the first priority of the community and technical colleges is the restoration of cuts in tiered and non-tiered funding. Both listed as their second priority to fully fund SB 155 (the Governor's secondary CTE initiative). The third priority is an additional \$8 million for tiered and non-tiered courses. Finally, the community colleges called for providing for seamless transfer at every level through incenting concurrent universities and incenting rigor of postsecondary instruction at high schools.

Washburn University is seeking \$920,000 for personnel and equipment to support the KBI Crime Lab partnership. The proposed budget requests for the Board office include \$732,000 for the adult education program, \$741,496 for the Board's Transfer & Articulation Web Portal, \$1 million to increase state funding for EPSCoR, and between \$480,000 and \$960,000 to purchase dental school seats. Additionally, the Board office is proposing a new financial aid program for adult learners returning to complete an associate or bachelors degree.

Regent Logan stated the Board will discuss the FY 2015 enhancement requests at the Board's August retreat. Action on the unified budget will occur at the September Board meeting.

ADJOURNMENT

Chairman Logan adjourned the meeting at 5:00 p.m.

Andy Tompkins, President and CEO

Fred Logan, Chair