

KANSAS BOARD OF REGENTS

MINUTES

June 18-19, 2014

The June 18, 2014, meeting of the Kansas Board of Regents was called to order by Chairman Fred Logan at 11:50 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

EXECUTIVE SESSION

At 11:50 a.m., Regent Logan moved, followed by the second of Regent Wilk, to recess into executive session for 25 minutes to discuss matters deemed confidential in the attorney-client relationship. Participating in the executive session were members of the Board, President Tompkins, General Counsel Julene Miller, and President Scott. At 12:15 p.m., the meeting returned to open session.

BREAK

The Chairman called for a break at 12:15 p.m. and resumed the meeting at 1:30 p.m.

APPROVAL OF MINUTES

Regent Bangerter moved that the minutes of the May 1-2, 2014 special meeting, May 9, 2014 special meeting, and May 14-15, 2014 regular meeting be approved. Following the second of Regent Van Etten, the motion carried.

INTRODUCTIONS

President Shonrock thanked President Hammond, who received his bachelor and master's degrees from Emporia State University, for his years of service. President Hammond introduced Fort Hays State University's new President of the Faculty Senate, Dr. Eric Deyo, Vice President of the Faculty Senate, Dr. Lori Cook-Benjamin, and President of the Student Government, Arin Powers. President Hammond also thanked Chairman Logan for his leadership this year.

RECOGNITION

The Board recognized Fort Hays State University President, Dr. Ed Hammond, who will be retiring at the end of June. Regent Bangerter read a Resolution that acknowledges some of Dr. Hammond's major accomplishments as president during his 27-years of service. Regent

McKechnie moved to adopt the Resolution, and Regent Van Etten seconded. The motion carried.

(Resolution filed with Official Minutes)

GENERAL REPORTS

REPORT FROM CHAIR

Chairman Logan stated Regent Edwards was featured in "Tough Talk, Real Progress," *The Journal* published by the Kansas Leadership Center, Spring 2014.

REPORT FROM PRESIDENT AND CEO

President Tompkins announced Eric King, Director of Facilities, has accepted a position at Wichita State University as the Director of Facilities Planning. He noted Mr. King has worked at the Board Office for 17 years and has also worked at Pittsburg State University, University of Kansas, and Fort Hays State University.

REPORT FROM COUNCIL OF PRESIDENTS

President Shonrock, on behalf of the System Council of Presidents, presented Chairman Logan a Commitment to Statewide Reverse Transfer. The Commitment recognizes reverse transfer as an important element of a seamless educational system. All 32 CEOs in the Regents system signed the Commitment.

(Commitment filed with Official Minutes)

President Shonrock presented the Council of Presidents' report. The Council received reports from the Council of Business Officers, the Council of Chief Academic Officers, and the Council of Government Relations Officers. The Business Officers reviewed the Educational Building Fund and discussed revenues. The Academic Officers reviewed programs and approved unanimously Pittsburg State University's request for a Doctor of Nursing Practice (DNP) (CIP 51.3818). The Council of Presidents' also approved PSU's program, which will be forwarded to the Board for consideration.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Sheryl Lidzy presented the Faculty Senate Presidents' report. The Council discussed Credit for Prior Learning. The Council believes this initiative needs to focus on student success and be driven by faculty. One recommendation is to have the Transfer and Articulation Committee involved with this initiative. Dr. Lidzy thanked Regents Emert, Edwards, and McKechnie for their service on the Board. Regent Logan thanked Dr. Lidzy for her leadership this year.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

The Students' Advisory Committee report was presented by Reagan Kays. The Committee discussed holding a voter registration competition between the campuses, which will be based on percent of participants. Mr. Kays stated the Committee's retreat will be in late July or August. One topic the members will discuss is whether the Committee's policies and by-laws need to be updated.

STANDING COMMITTEE AND OTHER REPORTS**ACADEMIC AFFAIRS**

Regent Moran reported the Board Academic Affairs Standing Committee received staff updates on Credit for Prior Learning and Student Learning Assessment reports. She thanked outgoing Regents Emert and Edwards for their service on the Committee.

FISCAL AFFAIRS AND AUDIT

Regent McKechnie presented the Board Fiscal Affairs and Audit Standing Committee report. The Committee reviewed items assigned to the Fiscal Affairs and Audit Committee on the Board's agenda, including a more detailed briefing from Dr. Flanders on the topic – Act on EPSCoR and Companion Program Proposals. Also, the Committee discussed the July 22 Budget Workshop and the development of the Board's FY 16-17 unified state appropriations request. Members provided feedback on a draft Guidance/Uniform Format document that will be used by the state universities to prepare materials for the workshop. Finally, the Committee reviewed the KBOR Audit Checklist that tracks the audit related requirements as set forth in Board policy.

APPROVAL OF CONSENT AGENDA

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

*Academic Affairs***HONORS BACCALAUREATE DEGREE – WSU**

WSU received approval to offer an Honors Baccalaureate degree. The degree will be funded from internal reallocation and new funds.

BA AND BGS IN HUMAN SEXUALITY – KU

The University of Kansas received authorization to offer a Bachelor of Art and Bachelor of General Studies in Human Sexuality. No additional resources are required to support this program.

*Fiscal Affairs & Audit***LEASE AGREEMENT WITH GEORGETOWN APARTMENTS – KSU**

Kansas State University received approval to enter into a lease agreement for a 2-bedroom apartment unit with Georgetown Apartments, 1400 Monticello Dr., Manhattan, KS. The housing lease is for one year, July 1, 2014 – June 20, 2015, and will cost is \$12,780. The apartments will house veterinary medicine students.

LEASE AGREEMENT WITH CAMBRIDGE WEST APARTMENTS – KU

The University of Kansas received approval to enter into a lease agreement with CWAPTS, LLC, a KU Endowment subsidiary, for four apartments to house visiting international students and guests. The apartments are located in the

Cambridge West Apartments, 3600 Rainbow Boulevard, Kansas City, KS. The lease will be effective June 23, 2014.

AMENDMENT TO FY 2015 REHABILITATION AND REPAIR LIST – KU

The University of Kansas received approval to amend its FY 2015 Rehabilitation and Repair list to include a project to upgrade infrastructure on the third floor of the Delp building at the Medical Center and to reallocate \$1,199,810 of Rehabilitation and Repair funds from the Research Support Facility Improvements Project to the Delp Infrastructure project.

The Delp Infrastructure project will have the following components:

Demolition of 3 rd floor Space	\$ 266,724
HVAC Replacement (2, 3, and 4 floors)	410,000
Piping, Electrical, Telecom upgrade	448,086
Window replacement	<u>75,000</u>
Total	<u>\$1,199,810</u>

Reallocation Request:

	<u>From</u>	<u>To</u>
Research Support Facility Improvements	\$2,000,000	\$ 800,190
Delp Infrastructure	<u>0</u>	<u>1,119,810</u>
Total	<u>\$2,000,000</u>	<u>\$2,000,000</u>

Retirement Plan

KBOR MANDATORY AND VOLUNTARY RETIREMENT PLAN DOCUMENTS AND CORRESPONDING POLICY

The Board approved the following amendments to the KBOR Mandatory and Voluntary Retirement and plan documents:

A new Section 9.07 would be added to the Mandatory Plan:

"Section 9.07. Direct Transfers to 403(b) Plan. Notwithstanding any other provision of the Plan to the contrary, the Board may direct a transfer on behalf of a uniform and nondiscriminatory group of Participants or Beneficiaries of their entire Vested Accounts under the Plan to a defined contribution plan under Code Section 403(b). Such transfer is subject to the following requirements:

- (a) The Plan shall transfer the entire amount of the Participant's or Beneficiary's Account directly to the transferee plan's trustee;

(b) The transferee plan must be maintained by the Participant's current or former employer and have authorized and agreed in writing to accept the transfer of such assets;

(c) The Participant or Beneficiary must be fully Vested in the transferred benefit under the terms of the transferee plan;

(d) The Participant or Beneficiary whose assets are being transferred must have an accumulated benefit immediately after the transfer that is at least equal to the accumulated benefit of that Participant or Beneficiary immediately before the transfer; and

(e) The transferee plan must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on distributions from the Plan in accordance with Treasury Regulation Section 1.403(b)-10(b)(3).”

A new Section 9.08 would be added to the Voluntary Plan:

Section 9.08. Direct Transfers to 403(b) Plan. Notwithstanding any other provision of the Plan to the contrary, the Board may direct a transfer on behalf of a uniform and nondiscriminatory group of Participants or Beneficiaries of their entire Vested Accounts under the Plan to a defined contribution plan under Code Section 403(b). Such transfer is subject to the following requirements:

(a) The Plan shall transfer the entire amount of the Participant's or Beneficiary's Account directly to the transferee plan's trustee;

(b) The transferee plan must be maintained by the Participant's current or former employer and have authorized and agreed in writing to accept the transfer of such assets;

(c) The Participant or Beneficiary must be fully Vested in the transferred benefit under the terms of the transferee plan;

(d) The Participant or Beneficiary whose assets are being transferred must have an accumulated benefit immediately after the transfer that is at least equal to the accumulated benefit of that Participant or Beneficiary immediately before the transfer; and

(e) The transferee plan must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on distributions

from the Plan in accordance with Treasury Regulation Section 1.403(b)-10(b)(3).”

Because the KBOR Mandatory and Voluntary Retirement Plan documents and the KBOR Policy Manual reference SEHP definitions for “benefits-eligibility” and “full-time,” the following amendments were approved in order to decouple those definitions:

- A. The unnumbered introductory paragraph of Section 2.02(p) of the Mandatory Plan would be amended to state:

(p) "Eligible Employee" means any Employee appointed ~~half—time or more~~ to a 48% or greater full-time equivalent Benefits Eligible Position in the unclassified service under the Kansas Civil Service Act, K.S.A. § 75-2935(1)(f), as amended; provided, however, that Eligible Employee does not include (i) students performing services described in Code Section 3121(b)(10), (ii) health care employees as defined under K.S.A. § 75-2935(1)(f), (iii) Cooperative Extension Service employees covered by a federal retirement plan, (iv) employees of a private Code Section 501(c)(3) entity affiliated with an Employer, (v) employees who are part of any Employer's University support staff, and (vi) any person designated in good faith as an independent contractor regardless of whether such person is later determined to be a common law employee for tax purposes. The State of Kansas Health Care Commission's determination that an Employee is eligible for health care coverage does not automatically render that Employee an Eligible Employee under the Plan. Notwithstanding the preceding:

- B. Section 2.02(q) of the Voluntary Plan would be amended to state:

(q) "Eligible Employee" means any Employee appointed ~~half—time or more~~ to a 48% or greater full time equivalent Benefits Eligible Position, including Employees who are members of the Cooperative Extension Service and appointed pursuant to the Federal Smith-Lever Act, as amended, and health care employees as defined under K.S.A. § 75-2935(1)(f). Notwithstanding anything contained herein to the contrary, however, Eligible Employee does not include (i) employees of a private Code Section 501(c)(3) entity affiliated with an Employer, (ii) students performing services described in Code Section 3121(b)(10), or (iii) any person designated in good faith as an independent contractor regardless of whether such person is later determined to be a common law employee for tax purposes. The State of Kansas Health Care Commission's determination that an Employee is

eligible for health care coverage does not automatically render that Employee an Eligible Employee under the Plan.

KBOR Policy Manual Amendment:

CHAPTER II: GOVERNANCE – STATE UNIVERSITIES

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C. CHIEF EXECUTIVE OFFICER, FACULTY AND STAFF

Unless otherwise specifically stated, as used in the following provisions, the term unclassified staff does not include those positions that have been converted from classified to unclassified pursuant to K.S.A. 2011 Supp. 76-715a, and amendments thereto (i.e. University Support Staff). The words “benefits-eligible” and “full-time” as used herein shall not include positions or employees who are deemed to be full-time exclusively by virtue of the state of Kansas Health Care Commission’s determination of eligibility for purposes of employer-provided healthcare coverage.

Other Matter

RE-APPOINT MEMBERS TO THE MIDWEST STEM CELL THERAPY CENTER ADVISORY BOARD

Dr. Michael Detamore, representing the University of Kansas, and Dr. Deryl Troyer, representing Kansas State University, were re-appointed for a three-year term to the Advisory Board to the Midwest Stem Cell Therapy Center. This is Dr. Detamore and Dr. Troyer second term on this Board, which will begin on July 1, 2014.

CONSIDERATION OF DISCUSSION AGENDA

Presentations

EMPORIA STATE UNIVERSITY’S STRATEGIC PLAN

President Shonrock presented Emporia State University’s Strategic Plan called “The Adaptive University.” He reviewed the process for developing the plan, the mission statement, and the vision statement. The strategic goals include: 1) pursue distinctive initiatives in curricula and programs that will foster vibrant communities, 2) enrich the student experience with opportunities for leadership development and practice, 3) enhance the competitive role of Kansas by achieving the State’s goals for public higher education, and 4) create a culture of adaptive change as the foundation for innovation and growth. President Shonrock stated the next steps include finalizing goal objectives, strategies, and performance indicators.

(PowerPoint filed with Official Minutes)

K-STATE OLATHE'S STRATEGIC PLAN

Dr. Prema Arasu, CEO and Vice Provost, presented K-State Olathe's Strategic Plan. The mission for K-State Olathe is to be the model and leader of adaptable, interdisciplinary and innovative education, research and public/private engagement in the Kansas City area for food and animal health, bridging the university with community, government and industry partners for a sustainable, global, knowledge-based economy. She reviewed the key activities and the short and long term goals for the campus.

(PowerPoint filed with Official Minutes)

Fiscal Affairs and AuditFY 2015 STATE UNIVERSITY TUITION AND FEE PROPOSALS

Diane Duffy, Vice President for Finance and Administration, presented the FY 2015 state university tuition and fee proposals. She noted subsequent to the May meeting three universities (University of Kansas, Wichita State University, and Pittsburg State University) submitted revisions. Vice President Duffy reviewed each university proposal. She indicated ESU's section B. FY 2015 proposed Course Fee Rates for Specified Programs needs to be corrected to reflect "no change proposed." The Regents discussed the proposals and it was noted students were actively involved in developing the proposals for each campus.

BREAK

The Chairman called for a break at 2:45 p.m. and resumed the meeting at 2:56 p.m.

The following motions were made regarding the FY 2015 state university tuition and fee proposals.

Regent McKechnie moved to approve Fort Hays State University's FY 2015 tuition and fee proposal as presented. Regent Bangerter seconded, and the motion carried.

Regent McKechnie moved to approve Emporia State University's FY 2015 tuition and fee proposal as corrected. Regent Bangerter seconded, and the motion carried.

Regent McKechnie moved to approve the University of Kansas' and the University of Kansas Medical Center's FY 2015 tuition and fee proposal as presented. Regent Edwards seconded, and the motion carried.

Regent McKechnie moved to approve Kansas State University's FY 2015 tuition and fee proposal as presented. Regent Bangerter seconded, and the motion carried.

Regent McKechnie moved to approve Pittsburg State University's FY 2015 tuition and fee proposal as presented. Regent Wilk seconded, and the motion carried.

Regent McKechnie moved to approve Wichita State University's FY 2015 tuition and fee proposal as presented. Regent Edwards seconded, and the motion carried.

(FY 2015 Tuition and Fee Proposals filed with Official Minutes)

ADDITIONAL DEBT POLICIES FOR STATE UNIVERSITIES

Regent McKechnie stated the Board Fiscal Affairs and Audit Standing Committee was given a specific charge to review current board policies and determine whether additional debt policies are needed. The Committee spent several months working on proposed additions to the Board's policies. The Board received a progress report on the debt policies at its April meeting. He noted the Council of Presidents have also reviewed the proposed policies. Regent Wilk moved to adopt the policies. Regent Moran seconded, and the motion carried. The following policies were adopted:

CHAPTER II: GOVERNANCE – STATE UNIVERSITIES

D. FISCAL MANAGEMENT

12. Revenue Bonds Capital Financing

Policy Objective/Purpose. This policy provides a framework within which decisions surrounding capital financing are made by the Board in exercising its fiduciary responsibilities and by each Chief Executive Officer in administering the affairs of the university, including responsibility for determining whether to use debt to finance particular capital projects and the ongoing management of debt.

a. Authorization.

- i. Debt Obligations Issued by or on Behalf of the Board. Pursuant to legislative authority, including ~~K.S.A. 76-6a13 et seq., 76-6a14 et seq., 75-37,111 et seq.,~~ and specific appropriation provisos in conjunction with K.S.A. 74-8905(b) 74-8901, et seq., the Board is authorized to issue or seek issuance of ~~revenue bonds~~ debt obligations on behalf of the state universities. The Board may issue ~~said revenue bonds~~ debt obligations directly or by using the services of the Kansas Development Finance Authority.
- ii. Revenue Bonds Issued on Behalf of Affiliated Corporations. ~~Before~~ At the time of Board approval of the project plan for a project to be built on state property and financed with revenue bonds issued on behalf of endowment associations, foundations, other affiliated corporations, or the Wichita State University Board of Trustees issue bonds, when the proceeds will be used to fund construction or improvement upon Board-owned property, the state university having possession of the property shall obtain approval from the Board for the proposed bond financing before the bond issuance process is initiated.

b. Types of Debt.

For purposes of this policy, the term "debt obligation" includes bonds, notes, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificate of participation or other evidences of indebtedness, whether or not the interest on which is subject to federal income taxation. Any capital project financing proposal involving

derivative instruments shall require additional review by the Board's Fiscal Affairs and Audit Committee prior to Board approval of the project. Such additional review may include a presentation by Kansas Development Finance Authority staff to explain the rationale for using derivatives and an independent assessment of the feasibility of the proposal.

c. Use of debt.

Debt obligations cannot be used to fund university employee compensation or other non-capital expenses.

d. Period of Debt.

Period of debt cannot exceed planned useful life of the asset being financed and must be for a reasonable term in relation to the amount financed.

~~Bond Counsel/Underwriter.~~

~~If the Board issues said revenue bonds directly, the Board President and Chief Executive Officer is authorized to employ bond counsel and underwriter to represent the Board in the matter of issuing such bonds. The fees, which shall be negotiated in advance, and other expenses associated with a bond issue shall be paid by the State University on behalf of which the bonds are issued. These costs may be included in the bond principal. If the Kansas Development Finance Authority is used, it will provide for bond counsel and underwriter.~~

e. Pledge of Available Revenue Agreements.

If the state university for which the ~~bonds~~ debt obligations for a project are issued, in consultation with the Kansas Development Finance Authority, determines that the ~~bonds~~ debt obligations will be more marketable with a pledge of generally available university revenues unencumbered funds of the university, or a credit enhancement in the form of a supplemental pledge or assurance of revenues other than those generated by the facility for which the ~~revenue bonds~~ debt obligations are to be issued, the desire to utilize such a pledge or assurance shall be reported to the Board at the time of the request for approval of the capital improvement, and language permitting the pledge of other available revenues for debt service purposes shall be included in the legislative proviso authorizing issuance of the ~~bonds~~ debt obligations. Any ~~bonds~~ debt obligations issued by the Board directly pursuant to K.S.A. 76-6a13 *et seq.* shall be subject to the pledge of revenue restrictions set forth in K.S.A. 76-6a15. This paragraph ~~b.~~ shall apply to ~~the FY 2012 Capital Improvements request or~~ projects submitted to the Board for approval after October 1, 2009. In the case of debt obligations issued with a pledge of generally available unencumbered funds, each financing is expected to be supported by a project financial plan identifying revenues sufficient to fulfill annual debt service requirements.

f. Refunding Bonds.

Refunding bonds may be issued in an aggregate principal amount not to exceed the amount necessary to refund outstanding bonds that were issued on behalf of the university, plus costs. If one or more of the following conditions is met, refunding bonds may be issued without further approval of the Board:

- i. Issuance of refunding bonds will achieve a present value savings of not less than 3% of the principal amount of the outstanding bonds to be refunded and final maturity of the bonds shall not be significantly extended beyond the original final maturity of the refunded bonds;
 - ii. Issuance of refunding bonds will restructure debt service requirements on the outstanding bonds in a way that is fiscally or administratively advantageous to the university as recommended and upon request, explained by Kansas Development Finance Authority or bond counsel for the proposed transaction (this option may be used only after the university has presented to the Fiscal Affairs and Audit Committee information regarding the prudence of exercising it under the specific circumstances and the Committee has approved the issuance); or
 - iii. Issuance of Refunding Bonds will eliminate burdensome or unduly constraining covenants contained in legal documentation authorizing the issuance of the outstanding bonds, as recommended and upon request, explained by Kansas Development Finance Authority or bond counsel for the proposed transaction (this option may be used only after the university has presented to the Fiscal Affairs and Audit Committee information regarding the prudence of exercising it under the specific circumstances and the Committee has approved the issuance).
- g. Responsibilities of the Board.

The Board will consider the impact that each debt issuance will have on a university's debt burden and its continuing ability to provide strong debt service coverage. The Board will annually review each university's debt capacity plan prepared and submitted in a format and in accordance with a schedule established by Board staff. The Board may assess a university's debt affordability and capacity by gathering input from other sources, for example, bond rating service scorecards, prepared and provided annually to the Board by Kansas Development Finance Authority staff. To fulfill its fiduciary responsibilities, it is essential that the Board of Regents understand the outstanding amount of debt obligations of each university. Board staff provides support to the Board in this responsibility by annually issuing a schedule for preparation and submission of the debt capacity plan and any related reports and specifying the content and format of the plan and related reports. Such schedule and format parameters will be prepared in consultation with Council of Business Officers.

In assessing each university's current debt levels, and when exercising oversight regarding assumption of additional debt by a university, the Board takes into account both the university's debt affordability and debt capacity. Debt affordability focuses on a university's ability to service its debt through its operating budget and identified revenue

streams and is driven by strength in income and cash flows. Debt capacity focuses on a university's financial leverage in terms of debt funding as a percentage of the university's total capital.

h. Responsibilities of the University.

- i. Each university shall provide the Board with adequate information to allow for reasonable and prudent oversight of the university's debt portfolio including, but not limited to, annual submission of the completed and updated debt capacity plan. The debt capacity plan, including key financial ratios, is intended to provide the university's administration and the Board with information necessary to determine whether the university will exceed its debt capacity. The financial ratios described in each university's debt capacity plan are not intended to track to a specific credit rating, but rather to help the university maintain sound financing for capital needs as they arise. The Board recognizes that rating agencies and other credit analysts use these and other measures in evaluating an issuer's ability to issue and repay debt. The Board expects at a minimum that each university set a target for debt burden ratio and bond coverage ratio and to continuously project debt capacity into the future. Each university's target will be used as a guidepost for that university, not a firm boundary.
 - a. Debt Burden Ratio is a percentage and represents the principal (excluding refunded principal) and interest on debt divided by total expenditures. The outstanding principal and interest included in each university's debt capacity plan shall be derived from the university's annual financial report. The principal and interest on new debt is based on the plan of financing for proposed projects.
 - b. Average Debt Service Coverage represents the adjusted change in net assets divided by debt service. The average is calculated using the current fiscal year, two years prior to the current fiscal year and projected figures for the two subsequent fiscal years including requested projects. The outstanding principal and interest included in each university's debt capacity plan shall be derived from the university's annual financial report. The principal and interest on new debt shall be based on the plan of financing for proposed projects.
 - c. Viability Ratio represents expendable net assets divided by total plant-related debt. The ratio is an indicator of an institution's ability to assume new debt and measures the debt capacity. The viability ratio represents expendable net assets divided by long-term debt. The ratio assists with answering the question: "Are resources, including debt, managed strategically to advance the mission?" The Viability Ratio measures the most basic determinant of clear financial health: the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date.
 - d. A university may elect to monitor additional selected ratios (including, but not limited to those suggested by the rating agencies) to provide further information regarding its financial performance and the impact of new debt for a specific project.

- ii. Each university shall adopt debt policies and procedures with respect to matters involving: debt issuance; debt management, compliance practices relating to use of tax exempt bond proceeds and bond financed assets; arbitrage and rebate compliance; record retention; refunding; and continuing disclosure obligations and designate a Bond Compliance Officer who is responsible for coordinating and overseeing post-issuance compliance for tax-exempt debt obligations issued on behalf of the university. Each university shall provide both the Board and the Kansas Development Finance Authority with a copy of its current policies and procedures, including the contact information for the Bond Compliance Officer.

E. FACILITIES

1. PROJECT PLANNING

- a. Each state university shall maintain a Campus Master Plan that documents concepts and guiding principles for future land use and development of campus facilities and infrastructure. Each state university shall submit to the Board President and Chief Executive Officer a new Campus Master Plan, or update to an existing Campus Master Plan, by January 1, 2015. Each Campus Master Plan shall be updated and resubmitted to the Board President and Chief Executive Officer every ten years.
- b. New Campus Master Plans, or significant modifications to existing Campus Master Plans, shall
 - i. address deferred maintenance needs;
 - ii. include a plan to ensure compliance with space utilization standards established by the Board; and
 - iii. be submitted to the Board for approval.
- c. Annually, in concert with the capital budget planning process, each university shall demonstrate that any capital improvement or repair project proposed to be financed in whole or in part with debt obligations can be accommodated within the university's debt capacity as measured by the university's ratios described in the university's approved debt capacity plan. In consultation with the Board's Director of Facilities, each university shall identify and present to the Board for approval any substantial change to its previously approved project debt financing plan.

2 SUMMARY OF APPROVAL REQUIREMENTS

	Board of Regents	Building Committee	Full Legislature	Program Statement required?	Execution process (architect/contractor)
Capital Improvements & Financing > \$750,000					
Endowment/Foundation/Research-Affiliated Corporations	approve	advise		yes	Campus
State General Fund	approve	advise	approve (DA 418)	yes	State selection/bid
All Other Non-State Funds	approve	advise		yes	K.S.A. 76-7,125 et seq (SB 9)
Revenue Bonds	approve	advise	approve (DA 418)	yes	State selection/bid
Federal Grants	approve	advise		yes	K.S.A. 76-7,125 et seq (SB 9)
Educational Building Fund	approve	advise	***1	yes	State selection/bid
Rehabilitation and Repair Projects²					
Endowment/Foundation/Research-Affiliated Corporations	approve	advise		no	Campus
State General Fund/EBF	approve	advise		no	State selection/bid
All Other Non-State Funds	approve	advise		no	K.S.A. 76-7,125 et seq (SB 9)
Federal Grants	approve	advise		no	K.S.A. 76-7,125 et seq (SB 9)
Deferred Maintenance Projects					
Infrastructure Maintenance Funds	approve	advise		no	State selection/bid
University Interest	approve	advise		no	K.S.A. 76-7,125 et seq (SB 9)
Tax Credits	approve	advise		no	State selection/bid
Energy Performance Contracting	approve	advise			K.S.A. 75-37,111 through 37,114 and 75-37,125
Building Razing	approve	advise ³			

¹ If new project or major renovation.

² Projects < \$500,000 require only Director's approval.

³ Not required by law.

CAPITAL IMPROVEMENT REQUESTS FOR FY 2016 AND 2017 – STATE UNIVERSITIES

Eric King, Director of Facilities, presented the proposed Capital Improvement Requests for FY 2016 and 2017. The Board Fiscal Affairs and Audit Standing Committee reviewed the proposed requests and recommends approval. It was noted the amount listed for each project is the estimated cost. Detailed information about the financing plan for each project is available in the Capital Improvement Plan (DA-418a and DA-418b). The financing plan reflects a myriad of sources of financing. Regent Wilk also noted that just because a project is listed on the Capital Improvement Request Document does not mean the project is approved to move forward for bond financing. Campuses need to bring proposed projects requiring debt financing back to the Board for approval before moving forward. Following discussion, Regent McKechnie moved to approve. Regent Bangerter seconded, and the motion carried.

(FY 2016 and 2017 Capital Improvement Requests filed with Official Minutes)

BUDGET FOR THE SCHOOL OF BUSINESS BUILDING – KU

Mr. King presented the University of Kansas' request to amend its budget for the School of Business Building to expand the project because the School has grown faster than originally projected. The estimated cost of the addition is \$6,780,000, which brings the total project budget to \$72,520,000. The project will be funded with \$62,520,000 in private funds and \$10,000,000 in university funds. Regent Bangerter moved to approve, and Regent McKechnie seconded. The motion carried.

MEMORANDUM OF AGREEMENT BETWEEN KU AND AMERICAN FEDERATION OF TEACHERS – KANSAS (AFT-KANSAS), REPRESENTING GRADUATE TEACHING ASSISTANTS – KU

Theresa Schwartz, Associate General Counsel, presented a proposed Memorandum of Agreement between the University of Kansas and the American Federation of Teachers – Kansas (AFT-Kansas), representing the Graduate Teaching Assistants. Associate General Counsel Schwartz outlined the changes between the proposed MOA and the agreement last approved by the Board. Regent Emert moved to approve and authorize the Chair to sign on behalf of the Board. Regent Van Etten seconded, and the motion carried.

Academic AffairsBOARD POLICY ON PROCESS FOR APPROVAL OF NEW ACADEMIC PROGRAMS

Gary Alexander, Vice President for Academic Affairs, presented an amendment to the Board's policy on New Academic Units and Academic Programs. The proposed change would streamline the process for approving new academic programs by allowing the Council of Chief Academic Officers to forward new academic programs that were approved unanimously to the Council of Presidents for consideration on the same day. Regent Moran moved to approve, and Regent Edwards seconded. The motion carried. The following amendment was adopted:

CHAPTER II: GOVERNANCE – STATE UNIVERSITIES**A ACADEMIC AFFAIRS**

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7 NEW ACADEMIC UNITS AND ACADEMIC PROGRAMS

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c Approval of New Academic Program Proposals

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ii Procedures for Approval of New Academic Programs

After a complete program proposal is entered in to the Program Inventory Database, it shall be reviewed and considered as a first reading by the Council of Chief Academic Officers at its next regularly scheduled meeting. During the review, Council members may question the representative of the proposing institution regarding the proposed program. Council members will also consider any comments, suggestions or concerns received by Board staff. In addition, Council members will consider how the comments, suggestions and concerns have been addressed.

(1) The Council of Chief Academic Officers shall review and consider the proposal as a second reading at its subsequent regularly scheduled meeting. The Council shall make one recommendation based on a majority vote according to the following voting categories:

(a) Recommended: Proposed program merits implementation according to institutional and State priorities.

(b) Not Recommended: Proposed program does not merit Board approval at this time.

(2) The Council of Chief Academic Officers shall convey its recommendation in writing at the next regularly scheduled meeting of the Council of Presidents. If the vote of the Council of Chief Academic Officers is unanimous, the Council may convey its recommendation to the Council of Presidents on the same day it is made.

(3) The Council of Presidents shall consider the proposal and forward its recommendation to the Board of Regents.

(4) The Board of Regents shall act on the proposal at its next regular meeting.

NAME AN ACADEMIC CENTER – ESU

President Shonrock requested authorization to name an Academic Center the Koch Center for Leadership and Ethics. Regent McKechnie moved to approve. Following the second of Regent Wilk, the motion carried.

Other Matters

CONVERT CLASSIFIED POSITIONS TO UNCLASSIFIED UNIVERSITY SUPPORT STAFF POSITIONS – WSU

General Counsel Julene Miller presented Wichita State University's request to convert its classified staff positions from the state civil service system to unclassified positions known as University Support Staff (USS). The classified staff at WSU held an election that resulted in a 290-162 vote in favor of the conversion. Board legal staff reviewed WSU's proposed USS Handbook and found it to be compliant with the statutory requirements. If approved, the conversion will take effect with the first pay period of FY 2015. Regent Moran moved to approve. Following the second of Regent Bangerter, the motion carried.

NAMING OF BUILDING – PSU

President Scott requested authorization to name the new Center for the Arts building in honor of Gene and Rita Bicknell. Regent McKechnie moved to approve, and Regent Emert seconded. The motion carried. The building will be formally named The Bicknell Family Center for the Arts and informally referred to as Bicknell Center.

NAMING OF BUILDING – KSU

President Schulz requested authorization to name the new university residence hall in honor of former President Jon Wefald. Regent Moran moved to approve. Following the second of Regent Wilk, the motion carried. The facility will be named Wefald Hall.

NAMING OF BUILDINGS – KU

Chancellor Gray-Little requested authorization to name the Earth, Energy & Environment Center – North in honor of Scott and Carol Ritchie. Regent Van Etten moved to approve, and Regent Edwards seconded. The motion carried. The North building will be named Richie Hall.

Chancellor Gray-Little requested authorization to name the Earth, Energy & Environment Center – South in honor of Todd and Craig Slawson. Regent Moran moved to approve, and Regent Murguia seconded. The motion carried. The South building will be named Slawson Hall.

EPSCoR AND COMPANION PROGRAM PROPOSALS

Blake Flanders, Vice President of Workforce Development, presented the EPSCoR Program Review Committee's recommendations to award state matching funds for the four proposals listed below.

- The Center of Biomedical Research Excellence in Protein Structure and Function is located at the University of Kansas. The Committee recommends awarding \$75,000 each year for five years (FY 15 – FY 19) to match a \$5.6 million NIH grant. This award would provide 15:1 leverage for state funds (federal:state).
- The mission of Kansas IDeA Network of Biomedical Research Excellence (K-INBRE), located at the University of Kansas Medical Center, is to strengthen the ability of Kansas researchers to compete effectively for National Institutes of Health funds. The Committee recommends awarding \$65,691 for FY 2014 to support two additional bridging proposals.

- Kansas State University faculty Dr. Deryl Troyer, DVM, and Dr. Stefan Bossmann, are developing a technology to conclusively detect mastitis in the field. The Committee recommends awarding \$120,000 for FY 14 to support the design and validation of low-cost sensor strips for detecting subclinical mastitis that can be used by farmers on-site and provide readings in less than five minutes.
- HylaPharm is a Lawrence-based university spinout company developing new, patented, targeted cancer therapies. The University of Kansas owns HylaPharm's intellectual property. The Committee recommends awarding \$127,684 for FY 2014 to hire an additional scientist and purchase supplies to accelerate progress toward meeting key goals required for Investigational New Drug approval by the FDA.

Regent McKechnie moved to approve these recommendations. Regent Wilk seconded, and the motion carried.

ACKNOWLEDGEMENT

Chairman Logan thanked Regent Edwards for her years of service on the Board. Additionally, Regent Wilk and Regent Bangerter thanked Regent Logan for his service as Board Chairman this year.

EXECUTIVE SESSION

At 3:45 p.m., Regent Wilk moved, followed by the second of Regent Moran, to recess into executive session for 60 minutes starting at 3:55 p.m. in the Kathy Rupp Conference Room to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board, President Tompkins, and Chancellor Gray-Little. At 4:55 p.m., the meeting returned to open session.

RECESS

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

RECONVENE

Chairman Logan reconvened the meeting at 8:05 a.m. on Thursday, June 19.

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

MEMBER ABSENT: Mildred Edwards

EXECUTIVE SESSION

At 8:05 a.m., Regent Wilk moved, followed by the second of Regent Emert, to recess into executive session for 60 minutes to discuss personnel matters of non-elected personnel.

Participating in the executive session were members of the Board, President Tompkins, and President Shonrock. At 9:05 a.m., the meeting returned to open session.

BREAK

The Chairman called for a break at 9:05 a.m. and resumed the meeting at 9:15 a.m.

APPROVAL OF CONSENT AGENDA

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

Academic Affairs

ADDITIONAL DEGREE GRANTING AUTHORITY FOR ASHFORD UNIVERSITY

Approval was given to Ashford University to offer a Bachelor of Science in Health Information Management. This degree will be offered online.

DEGREE AND CERTIFICATE PROGRAMS SUBMITTED BY WICHITA AREA TECHNICAL COLLEGE AND NEOSHO COUNTY COMMUNITY COLLEGE

Wichita Area Technical College received approval to offer an Associate of Applied Science degree (65 credit hours) and a Certificate C (47 credit hours) in Predicative NDT Technologies (41.0299).

Neosho County Community College received approval to offer an Associate of Applied Science degree (64 credit hours) and technical certificate (36 credit hours) in Heating, Ventilation and Air Conditioning (47.0201).

RADIOLOGIC TECHNOLOGY PROGRAM ALIGNMENT

The Radiologic Technology Program Alignment was approved.

(Program Alignment Map filed with Official Minutes)

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

NEW DEGREE GRANTING AUTHORITY FOR MARYVILLE UNIVERSITY, KAPLAN UNIVERSITY, AND WEBSTER UNIVERSITY

Vice President Alexander presented new degree granting authority requests for Maryville University, Kaplan University, and Webster University. Regent Moran moved to approve, and Regent Bangerter seconded. The motion carried. The following programs were approved:

Maryville University:

- Bachelor of Science in Nursing (RN-BSN)
- Master of Business Administration

- Master of Science in Nursing
- Doctor of Nursing Practice

Kaplan University:

- Associate of Applied Science in Information Technology
- Bachelor of Science in Accounting
- Bachelor of Science in Communication
- Bachelor of Science in Fire Science
- Bachelor of Science In Nutrition Science
- Master of Health Informatics
- Master of Health Information Management
- Master of Science in Criminal Justice
- Master of Science in Homeland Security and Emergency Management

Webster University:

- Bachelor of Arts in Management
- Master of Arts in Human Resources Development
- Master of Arts in Human Resource Management
- Master of Arts in Management and Leadership
- Master of Business Administration
- Master of Health Administration

DEVELOPMENTAL EDUCATION REPORT

Vice President Alexander and Susan Fish, Director of Adult Education, presented the Developmental Education Report. The Developmental Education Working Group was charged to assess the level and types of remedial education at state community and technical colleges and make recommendations about: 1) state level policy and action to promote effective remediation; 2) strategies that may be implemented locally, at the discretion of individual institutions; and 3) appropriate state level goals and local performance measures. Vice President Alexander reviewed data on the number of students who enroll and the number of students who complete remedial courses. Dr. Fish reviewed the Working Group's nine recommendations and the amount of funds it would require to support the recommendations. She noted there are policy changes that can be implemented that do not require funding. The Board discussed who has ownership of developmental education and next steps. There was consensus among the Board members to 1) ask the Working group to move forward with the policy changes, 2) have staff present a budget request item to the Board at the July budget meeting, and 3) have staff review whether to move forward with a legislative request regarding ownership of developmental education.

(Report filed with Official Minutes)

REPORT ON QUALITY ASSURANCE – TRANSFER AND ARTICULATION ADVISORY COUNCIL

Joey Linn, Fort Hays State University's Associate Vice Provost for Student Affairs, presented the Transfer and Articulation Council's Quality Assurance Report. The Quality Assurance

Subcommittee was formed to consider and evaluate methods that support quality transfer of credit. The Subcommittee is currently examining the historical aspect, existing information, student matriculation, data analysis, and data use surrounding system wide transfer in Kansas.

RECOMMENDATION SUPPORTING THE KANSAS CREDIT FOR PRIOR LEARNING (CPL) PROJECT

Vice President Alexander stated in order to facilitate implementation of effective Credit for Prior Learning (CPL), the Board Academic Affairs Standing Committee recommends the following: 1) the Board direct institutions to review their CPL policies and practices, and continue to ensure students have ample opportunity to make use of CPL in a manner consistent with the institution's staffing and resources; and 2) the CPL project be placed under the aegis of the Board Academic Affairs Standing Committee, with the Vice President for Academic Affairs being responsible for coordinating system CPL activities. Regent Moran moved to approve the recommendations. Following the second of Regent Van Etten, the motion carried.

PERFORMANCE FUNDING GUIDELINES

Vice President Alexander presented proposed amendments to the Performance Agreement: Funding Guidelines document. These revisions: 1) incorporate the Board's May 2013 determination that Tuition for Technical Education distributions (secondary students) meet the statutory definition of funds that are subject to performance funding beginning in FY 2014; 2) add the Postsecondary Education Performance-Based Incentive Special Revenue Fund, except for the portion that reimburses institutions for covering the cost of student tests, to the list of funds that are statutorily subject to performance funding beginning in FY 2016; and 3) provide clarification. Regent Moran moved to approve, and Regent Van Etten seconded. The motion carried. The following amendments were approved:

Performance Agreement: Funding Guidelines follow:

Definition of New State Funds

Pursuant to K.S.A. 74-3202d, each public postsecondary educational institution's receipt of "new state funds" shall be contingent upon achieving compliance with its performance agreement, as determined by the Kansas Board of Regents. ~~Any~~ Except as otherwise specifically required by statute or appropriation proviso, only those funds that are designated appropriated by the Legislature ~~for to~~ a specific postsecondary educational institution ~~or for a specific purpose by using a separate line item shall be exempted from performance funding not to be considered~~ "new state funds" for this purpose.

Accordingly, the Board has determined that the following line items are subject to performance: (1) State university and Washburn University operating grants ~~increases~~; (2) community college, technical college and Washburn Institute of Technology Postsecondary Tiered Technical State Aid and Non-Tiered Course Credit Hour Aid ~~increases~~; (3) eligible institutions' Career Technical Education Capital Outlay Aid and Technology Grant Funding ~~increases~~; ~~and~~ (4) Tuition for Technical Education (secondary students); (5) Postsecondary Education Performance-Based Incentive Special Revenue Fund; and (6) any other state funding increases—consistent with the statutes. ~~apply to any~~ "New state funds" received by any postsecondary institution under the

original 1999 Senate Bill 345 provisions for 2% performance grant funding, codified in K.S.A. 76-771, will also be subject to performance.

Pursuant to K.S.A. 74-3202d, the Board of Regents will determine the amount of new state funds to be received by each institution, taking into account the institution's level of compliance with its performance agreement and the funds available for distribution. For the purpose of this statute, "New state funds" will equal means the amounts of additional state funding each institution received appropriated for the fiscal year from a particular line item that is in excess of state funding that institution received appropriated for the previous fiscal year from that line item. The Board will determine the amount of new state funds each institution is eligible to receive for each line item if the institution is determined to be in full compliance with its performance agreement. If the Board determines that an institution is not in full compliance with its performance agreement, the Board may allocate to the institution none or a portion of the new state funds for which the institution would otherwise be eligible. Any portion not allocated to an institution in the fiscal year shall not be reallocated to any other institution. Any Except for those funds that never become a part of the institution's base, any portion not allocated to an institution will be deemed to be part of the institution's base budget for the purpose of determining the following fiscal year's allocation. This provision precludes an institution from permanently losing multi-year state funding due to noncompliance with its performance agreement. The intended effect of this provision is that such loss of funds would be only for one fiscal year.

~~Pursuant to K.S.A. 74-3202d, any funds designated appropriated by the Legislature for to a specific institution for a specific purpose shall be exempted from these provisions related to performance funding.~~

PERFORMANCE REPORTS

Vice President Alexander stated the Board's Academic Affairs Standing Committee reviewed performance reports covering the period of January 1, 2013 through December 31, 2013. He noted this is the final time the current reporting model will be used. The new model, which the Board approved in March 2013, is aligned with Foresight 2020 and follows the academic year. The Committee recommends the following:

University/College	Funding Recommendation
Emporia State University	100% funding
Fort Hays State University	100% funding
Kansas State University	100% funding
Pittsburg State University	100% funding
University of Kansas	100% funding
University of Kansas Medical Center	100% funding
Wichita State University	100% funding
Washburn University	100% funding
Washburn Institute of Technology	100% funding
Flint Hills Technical College	100% funding

Manhattan Area Technical College	100% funding
North Central Kansas Technical College	100% funding
Northwest Kansas Technical College	100% funding
Salina Area Technical College	100% funding
Wichita Area Technical College	100% funding
Allen County Community College	100% funding
Barton Community College	100% funding
Butler Community College	100% funding
Cloud Community College	100% funding
Coffeyville Community College	100% funding
Colby Community College	100% funding
Cowley Community College	100% funding
Dodge City Community College	100% funding
Fort Scott Community College	100% funding
Garden City Community College	90% funding
Highland Community College	100% funding
Hutchinson Community College	100% funding
Independence Community College	100% funding
Johnson County Community College	100% funding
Kansas City Kansas Community College	100% funding
Labette Community College	100% funding
Neosho Community College	100% funding
Pratt Community College	100% funding
Seward Community College	100% funding

Regent Moran moved to approve the recommendation, and Regent Van Etten seconded. The motion carried.

STATE AUTHORIZATION RECIPROCITY AGREEMENT (SARA)

Vice President Alexander stated the necessary statutory changes were enacted this year to allow Kansas to apply for participation in the State Authorization Reciprocity Agreement. Regent Moran moved to approve moving forward with applying for membership in the Midwest State Authorization Reciprocity Agreement, which is coordinated by the Midwestern Higher Education Compact. Regent Bangerter seconded, and the motion carried.

BREAK

The Chairman called for a break at 10:45 a.m. and resumed the meeting at 10:50 a.m.

Fiscal Affairs and Audit

ALLOCATION/DISTRIBUTION OF STATE APPROPRIATIONS TO COMMUNITY COLLEGES, TECHNICAL COLLEGES, WASHBURN INSTITUTE OF TECHNOLOGY, AND WASHBURN UNIVERSITY

Vice President Duffy presented the proposed distributions to individual institutions for the Vocational Education Capital Outlay Aid, the Technology Grants, Tiered Technical Education

State Aid, and Non-tiered Credit Hour Grant. Regent McKechnie moved, followed by the second of Regent Van Etten, to approve the distributions. The motion carried. The following distributions were approved:

Institution	FY 2014 Funding	FY 2015 Funding	Increase/ (Decrease)
Coffeyville Community College	\$129,702	\$121,569	(\$8,133)
Cowley County Community College	\$163,243	\$165,800	\$2,557
Dodge City Community College	\$133,577	\$130,785	(\$2,792)
Flint Hills Technical College	\$134,392	\$134,856	\$462
Highland Community College	\$140,404	\$138,464	(\$1,940)
Hutchinson Community College	\$215,564	\$214,043	(\$1,521)
Johnson County Community College	\$328,858	\$338,957	\$10,099
Kansas City Kansas Community College	\$223,576	\$220,983	(\$2,593)
Manhattan Area Technical College	\$136,075	\$136,198	\$123
North Central Kansas Technical College	\$139,999	\$139,385	(\$614)
Northwest Kansas Technical College	\$126,483	\$128,264	\$1,781
Pratt Community College	\$133,312	\$131,735	(\$1,577)
Salina Area Technical College	\$130,299	\$128,008	(\$2,291)
Seward County Community College	\$128,011	\$129,167	\$1,156
Washburn Institute of Technology	\$158,655	\$149,565	(\$9,090)
Wichita Area Technical College	\$197,159	\$211,532	\$14,373
Total	\$2,619,311	\$2,619,311	\$0

Institution	FY 2014 Technology Grant	FY 2015 Technology Grant
Allen County Community College	\$14,168	\$14,168
Barton County Community College	\$19,482	\$19,482
Butler County Community College	\$24,794	\$24,794
Cloud County Community College	\$16,824	\$16,824
Coffeyville Community College	\$16,824	\$16,824
Colby Community College	\$16,824	\$16,824
Cowley County Community College	\$19,482	\$19,482
Dodge City Community College	\$16,824	\$16,824
Fort Scott Community College	\$16,824	\$16,824
Garden City Community College	\$16,824	\$16,824
Highland Community College	\$18,597	\$18,597
Hutchinson Community College	\$25,678	\$25,678
Independence Community College	\$16,824	\$16,824
Johnson County Community College	\$38,962	\$38,962
Kansas City Community College	\$25,678	\$25,678

Labette Community College	\$14,170	\$14,170
Neosho Community College	\$16,824	\$16,824
Pratt Community College	\$12,401	\$12,401
Seward County Community College	\$16,824	\$16,824
Washburn University	\$33,647	\$33,647
TOTAL	\$398,475	\$398,475

Table 3
Tiered Technical Education State Aid Distribution

Institution	FY 2014 Funding	FY 2015 Funding
Allen County Community College	\$1,327,682	\$1,327,682
Barton County Community College	3,519,807	3,519,807
Butler Community College	4,210,703	4,210,703
Cloud County Community College	1,364,544	1,364,544
Coffeyville Community College	1,221,618	1,221,618
Colby Community College	686,652	686,652
Cowley County Community College	2,522,617	2,522,617
Dodge City Community College	1,175,522	1,175,522
Flint Hills Technical College	1,782,114	1,782,114
Fort Scott Community College	1,508,091	1,508,091
Garden City Community College	1,012,931	1,012,931
Highland Community College	1,833,643	1,833,643
Hutchinson Community College	4,025,083	4,025,083
Independence Community College	558,696	558,696
Johnson County Community College	6,331,221	6,331,221
Kansas City Kansas Community College	4,327,739	4,327,739
Labette Community College	1,129,177	1,129,177
Manhattan Area Technical College	1,888,581	1,888,581
Neosho County Community College	1,346,013	1,346,013
North Central Kansas Technical College	2,780,418	2,780,418
Northwest Kansas Technical College	2,167,150	2,167,150
Pratt Community College	1,189,810	1,189,810
Salina Area Technical College	1,9021,359	1,9021,359
Seward County Community College	1,184,770	1,184,770
Washburn Institute of Technology	2,672,608	2,672,608
Wichita Area Technical College	4,631,422	4,631,422
Total	58,300,961	58,300,961

Table 4
Non-Tiered Credit Hour Grant Distribution

Institution	FY 2014 Funding	FY 2015 Funding
Allen County Community College	\$3,473,421	\$3,473,421

Barton County Community College	4,395,227	4,395,227
Butler Community College	10,543,448	10,543,448
Cloud County Community College	3,063,686	3,063,686
Coffeyville Community College	1,798,887	1,798,887
Colby Community College	1,361,837	1,361,837
Cowley County Community College	4,410,683	4,410,683
Dodge City Community College	1,512,063	1,512,063
Flint Hills Technical College	481,112	481,112
Fort Scott Community College	1,933,386	1,933,386
Garden City Community College	1,691,376	1,691,376
Highland Community College	3,984,114	3,984,114
Hutchinson Community College	5,104,177	5,104,177
Independence Community College	1,429,492	1,429,492
Johnson County Community College	15,221,801	15,221,801
Kansas City Kansas Community College	5,988,313	5,988,313
Labette Community College	1,612,947	1,612,947
Manhattan Area Technical College	449,053	449,053
Neosho County Community College	1,515,432	1,515,432
North Central Kansas Technical College	747,522	747,522
Northwest Kansas Technical College	559,765	559,765
Pratt Community College	1,233,313	1,233,313
Salina Area Technical College	107,905	107,905
Seward County Community College	1,831,297	1,831,297
Washburn Institute of Technology	166,897	166,897
Wichita Area Technical College	1,879,175	1,879,175
Total	76,496,329	76,496,329

BOARD'S FY 2016-2017 UNIFIED STATE APPROPRIATION REQUEST

Vice President Duffy stated the Kansas Higher Education Coordination Act requires the Board to develop and present to the Governor and the Legislature a unified request for state appropriations for postsecondary education. The institutions submitted specific requests for the Board to review. Regent Logan stated these requests will be further reviewed by the Board at the July 22 budget meeting.

Governance

CEO COMPENSATION FOR FY 2015

Regent Logan stated for Fiscal Year 2015, the Board's Governance Committee recommended a 1.5% increase to base salary for each state university CEO, except for the new President at Fort Hays State University. This 1.5% is to be paid from public funds. The Governance Committee also recommended that the Board direct it to study the implementation of (1) performance incentive payments for meeting specific strategic plan, operational or other goals established by the Board, successful accomplishment of which would be determined by achievement of measurable goals and (2) other forms of monetary compensation described in the chief executive

officer compensation policy adopted on March 12, 2014. The Committee has also recommended a 1.5% bonus for President Tompkins. Regent Emert moved to approve the recommended compensation for the CEOs for Fiscal Year 2015, beginning with the first pay period of the fiscal year, and that the Governance Committee undertake the described study on executive compensation under the new policy. Regent Bangertter seconded, and the motion carried.

Other Matters

REPORT ON LEGAL ISSUES RELATED TO FORT HAYS STATE UNIVERSITY/DODGE CITY COMMUNITY COLLEGE PROPOSAL SUBMITTED TO THE BOARD MAY 15, 2014

General Counsel Julene Miller presented a report on legal issues related to the Fort Hays State University (FHSU)/Dodge City Community College (DCCC) proposal that was submitted by the two institutions to the Board of Regents on May 15, 2014. General Counsel Miller noted that the Board of Regents has not yet adopted any position or taken any action on this issue. In her opinion, the proposal submitted is a merger between FHSU and DCCC that would result in a branch campus of FHSU existing in Dodge City. General Counsel Miller outlined the legislative changes that, in her opinion, would need to be enacted in order to merge the two institutions. Following discussion, the Board directed staff to draft a letter to the Dodge City Community College Board of Trustees requesting additional clarification regarding their position on the proposed merger with FHSU. The Board is requesting from the Trustees an official statement that they 1) endorse the establishment of a FHSU campus in Dodge City on the terms set out in the May proposal, 2) endorse the merger of DCCC with FHSU and the “one institution” concept as described in the May proposal, 3) review the Board General Counsel’s report as presented today, 4) acknowledge that legislation will need to be sought to allow for the establishment of a FHSU campus in Dodge City as envisioned by the May proposal, 4) ask the Board to advocate for the establishment of a FHSU campus in Dodge City, and 5) authorize FHSU to forward a budget request seeking an appropriation for FY 2015 as described in the May proposal.

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Blake Flanders, Vice President of Workforce Development, presented the report from the Kansas Postsecondary Technical Education Authority. The TEA approved a new financing assumption for the cost model that was recommended by the Process Management Committee. The new financing assumptions are as follows: 1) for community college in-district students – students should finance one-third of the total cost, local mill levy should finance one-third of the total cost, and the state should finance one-third of the total cost; and 2) for out-district and all technical college students – student should finance one-third of the total cost and the state should finance two-thirds of the total cost. Vice President Flanders stated the TEA endorsed the continuation of the current process to update the tiered technical cost model, which includes the review of tiered and non-tiered course designations. Additionally, the TEA reviewed budget requests and forwarded the following three for the Board to consider: 1) continue supporting the full funding of the SB 155 initiative, 2) continue funding support for the AO-K proviso initiative, and 3) reduce the gap for tiered technical education funding.

AMEND 2015 BOARD MEETING SCHEDULE TO MOVE THE FEBRUARY AND MARCH 2015 MEETINGS TO FEBRUARY 11-12, 2015 AND MARCH 11-12, 2015

President Tompkins stated in 2015 the March Board meeting is scheduled the same week the state universities have spring break. Staff is recommending moving the February and March 2015 meeting dates up one week. Regent Van Etten moved to approve, and Regent Murguia seconded. The motion carried. The meetings will be held on February 11-12, 2015 and March 11-12, 2015.

ACKNOWLEDGEMENT

Chairman Logan thanked Regent Emert and Regent McKechnie for their years of service and leadership on the Board.

EXECUTIVE SESSION

At 11:35 a.m., Regent Wilk moved, followed by the second of Regent Emert, to recess into executive session for 60 minutes starting at 11:45 a.m. to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board and President Tompkins. At 12:45 p.m., the meeting returned to open session.

ADJOURNMENT

Chairman Logan adjourned the meeting at 12:45 p.m.

Andy Tompkins, President and CEO

Kenny Wilk, Chair-Elect