

KANSAS BOARD OF REGENTS
MINUTES OF SPECIAL MEETING
July 22, 2014

The July 22, 2014, meeting of the Kansas Board of Regents was called to order by Chairman Kenny Wilk at 8:00 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: Kenny Wilk, Chairman
Shane Bangerter, Vice Chairman
Fred Logan
Robba Moran
Helen Van Etten

MEMBERS ABSENT: Ann Brandau-Murguia
Mildred Edwards
Tim Emert
Ed McKechnie

KANSAS STATE UNIVERSITY

President Schulz presented an overview of the budget for Kansas State University – Main Campus, Kansas State University – Veterinary Medicine, and Kansas State University – ESARP (Extension Systems & Agriculture Research Programs). He reviewed the FY 2013 (actual) and FY 2015 (budget) for the University. President Schulz also expressed concerns regarding the decline in state funding for the Faculty of Distinction program. This program is created by Kansas statute. President Schulz reviewed the athletics budget and the University's debt service, which show that most of the University's debt is tied to student housing and athletics.

President Schulz presented Kansas State University's FY 2016 and FY 2017 budget enhancement proposals. KSU is requesting \$5 million for FY 2016 to support the College of Architecture, Planning and Design renovation and expansion of Seaton Hall. This investment will be aimed at maintaining and bolstering the 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. KSU's second request is for \$5 million to support the College of Arts and Sciences to construct a new facility to support Geoscience. These funds will be matched on an annual basis – \$2.5 million in private donation, \$1 million from increased tuition revenues, and \$1.5 million in research expenditure growth. KSU's third request is for \$5 million for the College of Agriculture and K-State Research and Extension to begin the planning for a new Food Systems Research and Education Facility. Regent Logan stated this request aligns with the National Bio and Agro-Defense Facility (NBAF), and he would like to see in the write-up a link between the two. He believes this will help the Board advocate for this proposal.

BREAK

The Chairman called for a break at 9:13 a.m. and resumed the meeting at 9:25 a.m.

UNIVERSITY OF KANSAS AND UNIVERSITY OF KANSAS MEDICAL CENTER

The overview of the University of Kansas and the University of Kansas Medical Center was presented by Chancellor Gray-Little; Theresa Gordzica, Chief Planning and Business Officer; Jeff Vitter, Provost; and Doug Girod, Executive Vice Chancellor. Theresa Gordzica reviewed the FY 2015 all funds budget for the University of Kansas Lawrence Campus, Edwards Campus, and the University of Kansas Medical Center. She reviewed state funding, which remains below pre-recession levels and noted that KU's tuition and fees is the 9th lowest out of the 34 AAU public universities.

Provost Vitter presented KU - Lawrence's FY 2016 and FY 2017 proposed enhancement requests. KU is requesting \$5 million in ongoing support to establish the Drug and Vaccine Discovery Institute. The Institute will focus on the development of new drug treatments for human disease through chemical biology and disease prevention through vaccine development. KU - Lawrence's second request is for \$7 million in ongoing support starting in FY 2017 for the operating expenses of the new Innovation Way science facilities. Innovation Way will replace outdated science facilities, and the \$7 million in state funds will complement the private gifts and university support that are already committed to the Innovation Way development.

Executive Vice Chancellor Girod presented the KU - Medical Center's proposed enhancement requests. KUMC's is requesting \$3.4 million for a 3% merit-based salary enhancement for faculty and staff. He stated many of the employees at the Medical Center have not received annual merit raises in five of the past six years. He also noted that tuition covers only 11% of all expenses on the campus. Additionally, the Medical Center is seeking \$4.9 million to strengthen community-based medical education in Wichita – \$2.4 million in FY 2016 for sustaining the four-year curriculum and \$2.5 million in FY 2017 for expanding class size and compensating volunteer faculty. This funding will be ongoing.

(PowerPoint filed with Official Minutes)

WICHITA STATE UNIVERSITY

President Bardo presented Wichita State University's budget overview and enhancement requests. He reviewed WSU's FY 2013 expenditures by program, fund, and expenditure classification. He stated WSU's proposed enhancement requests are tied to the vision and mission of the University. They also link closely with the community's needs for economic diversification. WSU's first priority is for Economic Innovation, Diversification, and Technology Transfer. This request is for \$4.7 million in ongoing funding for positions and operating support for the technology transfer and business infrastructure. It also contains a request for one-time funding of \$12 million to construct the Innovation Center. WSU's second priority is for innovation equipment. WSU is requesting \$5 million in ongoing funding to extend and refresh technology in critical areas, and \$10 million, which will be one-time funding, for laboratories and equipment. Following discussion, the Board directed WSU to add more details and breakdown the components of both requests for clarity.

(PowerPoint filed with Official Minutes)

BREAK

The Chairman called for a break at 11:53 a.m. and resumed the meeting at 12:30 p.m.

PITTSBURG STATE UNIVERSITY

President Scott presented an overview of Pittsburg State University's budgetary planning process. He reported that PSU is approaching the end of its current planning cycle and plans to develop and present to the Board a new strategic plan during the 2015 fiscal year. President Scott stated that PSU's first proposed enhancement request is for \$2 million, phased in over two years, to expand capacity and excellence in health-related programs. PSU has a highly regarded pre-medical school preparation program, pre-health professions programs, and professional nursing programs. By increasing the capacity of these programs, the University will be able to train and provide a workforce to meet the needs of the state. PSU's second proposed enhancement request is for \$1 million to create the School of Transportation. This School would allow PSU to consolidate, expand, and strengthen the programs related to automotive technology.

EMPORIA STATE UNIVERSITY

President Shonrock presented an overview of Emporia State University. He stated enrollment has increased for five consecutive academic terms. He discussed the partial reinstatement of the SGF for FY 2014 and FY 2015 and reviewed the budget and revenues for the University. ESU's first proposed enhancement request is for \$500,000 starting in FY 2016 for ESU's Newman Division of Nursing. The funds will be used to replace the funding that Newman Regional Health has provided in the past but will not be able to continue. ESU's second proposed request is to fund the annual costs of its new Master of Science in Forensic Science program. This request is for \$284,300. The University's final proposed enhancement is for \$715,700 to upgrade its STEM programming, which includes faculty and staff salaries, laboratory equipment upgrades, and facilities improvements.

(PowerPoint filed with Official Minutes)

FORT HAYS STATE UNIVERSITY

President Martin presented Fort Hays State University's budget overview and enhancement requests. She reviewed all funds for FY 2015 and gave a brief history of FHSU's tuition revenue and enrollment growth. She stated the following are FHSU's proposed enhancement requests: 1) \$334,000 to expand capacity in the Graphic Design BFA program, 2) \$214,000 to expand capacity in the Higher Education Student Affairs MSE program, 3) \$200,000 to increase retention/graduation rates through expansion of a freshman seminar model, 4) \$214,000 to create a rural studies major, 5) \$236,000 to develop a rural entrepreneurship program, and 6) \$680,000 to expand the full-time Virtual College Instruction Model. President Martin noted these requests are not in the University's priority order, but she will submit them in priority order for the Board to review at the August retreat.

Dr. Hammond presented the Fort Hays State University at Dodge City budget request. He reported the Dodge City Community College Trustees voted for the merger with Fort Hays State University. The mission of FHSU at Dodge City will be to provide accessible quality education to support the traditional and anticipated needs of Ford County, southwest Kansas, and business and industry.

The budget request includes \$10 million to build a new Institute of Applied Technology facility and a minimum investment of an additional \$5 million in ongoing state funds.

(PowerPoints filed with Official Minutes)

BREAK

The Vice Chairman called a break at 2:46 p.m. and resumed the meeting at 2:55 p.m.

OTHER REQUESTS

Diane Duffy, Vice President for Finance and Administration, presented other budgetary requests. The systemwide higher education requests include the following: 1) \$2.5 million for FY 2016 and an additional \$2.5 million in FY 2017 for need-based financial aid for Kansas students, 2) \$988,000 for three years beginning in FY 2016 for the Developmental Education Working Group recommendations, and 3) \$555,738 for FY 2016 and 2017 to sustain the Regents data system and staffing capacity. The community and technical colleges requested full-funding for the postsecondary tiered technical education cost model and continued full funding for SB 155. Additionally, the community colleges requested funding for a performance based developmental education pilot and removing the exception from the GED pilot that prohibits Johnson County Community College from participating in the GED Accelerator pilot. Washburn University requested \$920,000 annually for its partnership with the Kansas Bureau of Investigation Crime Lab. Vice President Duffy stated the Board Office requested \$632,000 for FY 2016 and 2017 to restore cuts and help increase enrollment for the Adult Education program. The Board Office also received correspondence from Representative Tom Sloan that contains the Vision 2020 Committee's request regarding "super computing." President Tompkins noted the funding for this request, per the Committee's discussion, was determined to be around \$6 million.

The Board will discuss the FY 2016 and FY 2017 enhancement requests at the Board's August retreat. Action on the unified budget will occur at the September Board meeting.

(Summary List filed with Official Minutes)

ADJOURNMENT

Vice Chairman Bangerter adjourned the meeting at 3:04 p.m.

Andy Tompkins, President and CEO

Kenny Wilk, Chair