

## **KANSAS BOARD OF REGENTS**

### **MINUTES**

August 8-10, 2017

The Kansas Board of Regents budget workshop and annual retreat was called to order by Chair Dave Murfin at 1:00 p.m. on August 8, 2017. The meeting was held at the Hotel at Old Town Conference Center, 210 N. Mosley, Wichita, Kansas. Proper notice was given according to law.

**MEMBERS PRESENT:** Dave Murfin, Chair  
Dennis Mullin, Vice Chair  
Shane Bangerter  
Bill Feuerborn  
Zoe Newton  
Daniel Thomas  
Helen Van Etten

**MEMBERS ABSENT:** Joe Bain  
Ann Brandau-Murguia

### **BUDGET OVERVIEW**

Elaine Frisbie, Vice President of Finance and Administration, presented the budget overview. In FY 2015, total revenues for the Kansas public higher education system were \$3.6 billion. The level of state support varies by the different sectors of higher education and by institutions within a sector. Vice President Frisbie noted that the public higher education institutions are appropriated state funds in different ways. The state universities receive most of their appropriations directly from the Legislature, however there are some exceptions like the Educational Building Fund and specific grants that are administered by the Board. The coordinated institutions, because they are not state agencies, receive state funds through appropriations that pass through the Kansas Board of Regents. Vice President Frisbie reviewed the system expenses for FY 2015 by major category and noted salaries and wages with employee benefits account for over 62 percent of the total expenditures. Additionally, Vice President Frisbie reviewed the Composite Financial Index for the state universities and noted that in the agenda materials each university provided information on their revenues, expenditures, indebtedness, and budget enhancements.

### **FY 2019 UNIFIED BUDGET REQUEST**

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. Although biennial appropriations have been made by the Legislature in recent years, the budget is reviewed and updated on an annual cycle. The statutory deadline for submission of the Board's request is October 1 every year. Vice President Frisbie noted that the different sectors and institutions have submitted items for the Board to consider for the FY 2019 request.

The Board and the university CEOs discussed the pay plan enacted in this year's appropriations bill. The university CEOs expressed their appreciation to the Legislature for appropriating funds for an employee pay increase, but they also expressed their concerns about how the pay plan was

structured. The law gives a 2.5 percent raise to all state employees with fewer than five years of state employment and a 5 percent raise to employees who have worked for the state for more than five years but only if they had not had a salary increase within the past five years. Under this structure, employees with less than five years of service received the 2.5 percent increase, regardless of whether they have received a pay increase or not during that timeframe. Because most of the state university employees have had a small increase in the past five years, only a small percentage of employees qualified for the 5 percent increase. This has created inequities and salary compression among our state university employees. The university CEOs noted they manage the salaries of their faculty and staff to keep them competitive and at market rate. However, implementing this pay structure resulted in some faculty who have been working less than five years making more than faculty who have seven or more years of service. The university CEOs also noted the state funds that were appropriated only covered the employees who are paid out of the State General Fund. The universities had to fund the increases for their employees who are compensated by other revenue sources. The Board discussed possibly making a legislative request to fill the funding gap of the pay structure.

### BREAK

The Chair called for a break at 2:34 p.m. and resumed the meeting at 3:00 p.m.

Matt Casey, Director of Government Relations, stated last year the Board submitted its unified budget request with the understanding that restoring the FY 2017 four percent allotment was the Board's top priority. The Board also included the institutional and sector specific requests for the Governor's and Legislature's consideration. Director Casey stated towards the end of session when the state budget was being drafted there was confusion surrounding all the items and dollar amounts listed on the Board's unified request. The Board discussed simplifying the unified budget request by including only the dollar amount associated with the restoration request. The other institutional and sector requests would be included in the narrative and will not have a dollar amounts identified in the budget system. The university CEOs discussed this strategy and are supportive of having a unified request focusing on restoration of the 2017 allotment.

### SCHOOL OF DENTISTRY

Vice President Frisbie reported last year the Board included a legislative budget request for the start-up and annual operational costs to bring online a dental school at the University of Kansas Medical Center. However, this request was not included in the final state budget bill. Vice President Frisbie noted the current proposal to establish a School of Dentistry at KUMC includes remodeling Dyke Library. Since this is a remodel, the Board has the authority to allocate money from the Educational Building Fund (EBF) for this project. There is currently \$4.5 million estimated to be available in EBF for both FY 2018 and FY 2019. This money could be used to have architectural plans drafted for the project. Regent Thomas stated the architectural plans will allow the project to move into the next phase, which is to seek private and state support. The Board discussed the cost of drafting architectural plans, the proposed location for the School of Dentistry, and whether there are other university projects that the EBF could be spent on. Board staff was directed to provide additional information on the cost of the dental school and a list of other projects that are eligible for the remaining EBF distribution. Additionally, President Myers reminded the Board there is a reciprocal agreement between Missouri and Kansas to exchange students. Missouri sends architecture students to the University of Kansas and Kansas State

University and in exchange, Kansas sends a limited number of optometry students and dentistry students to Missouri. He would like to receive information on whether a dental school in Kansas impacts the terms of the agreement because the architecture students who attend KU and KSU are important to those universities. President Flanders asked Board staff to follow-up with President Myers.

#### UNIVERSITY FEE STRUCTURE

Vice President Frisbie stated the Board received information on the state universities' fee structure at the June meeting. With the decrease in state support over the years, the universities are relying more heavily on tuition and fee revenues to finance their operations. The tuition and fee structures vary for each of the state universities because of their different missions and the different programs offered. Vice President Frisbie reported that the universities submit to the Board office an annual Comprehensive State University Fee Schedule. This Schedule is complex but will be reformatted to promote greater transparency of the cost to attend a state university. The Board and the university CEOs discussed the difference between tuition waivers and special tuition rates and the importance of communicating to the public the total cost of attending the state universities.

#### BREAK

Chair Murfin called for a break at 4:28 p.m. and resumed the meeting at 4:45 p.m.

#### SYSTEMWIDE EFFICIENCIES

Vice President Frisbie reported that last year the Council of Business Officers collected information on efforts underway at the campuses to create greater administrative and cost efficiencies. The report that the Board received in May contained information on the state universities' efforts toward obtaining greater efficiency and collaborative efforts in the areas of information technology, energy efficiency, procurement, academic affairs, and other topics like administrative organization. She noted the Yammer website that was set up for all public postsecondary education institutions to share information, ideas, and have access to available contracts, has led to more collaboration.

President Flanders stated this year the Board could direct the Council to focus on areas of interest such as utilities and reducing the fees associated with hiring search firms. There was discussion surrounding electricity costs and whether there can be any systemwide savings. Following the discussion, the Board expressed interest in continuing this Board goal.

#### RECESS

The Chair recessed the meeting at 5:21 p.m.

#### RECONVENE

The Chair reconvened the meeting at 8:40 a.m. on Wednesday, August 9, 2017.

#### MEMBERS PRESENT:

Dave Murfin, Chair  
Dennis Mullin, Vice Chair  
Joe Bain  
Shane Bangerter  
Bill Feuerborn

Zoe Newton  
Daniel Thomas  
Helen Van Etten  
Ann Brandau-Murguia (by conference call)

### CAMPUS CLIMATE

General Counsel Julene Miller stated “campus climate” is how certain aspects of the university atmosphere is perceived by its students, faculty and administrators. Universities around the country conduct climate surveys to assess perceptions on specific topics such as diversity and inclusion, safety, and workplace morale. Each university CEO spoke about the different surveys that have been conducted on the campuses, the cost of administering the surveys, and what was implemented as a result of the surveys. Events that have occurred on other campuses around the nation were discussed and the effects of how those events were handled. The group discussed First Amendment rights and how the universities balance diversity, inclusion, and civil discourse issues.

### THREE-PERSON BOARD COMMITTEES

Each of the university CEOs met with their assigned three-person committee.

At 9:45 a.m., Regent Mullin moved, followed by the second of Regent Newton, to recess into executive session for 45 minutes in the Old Town Board Room to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Newton, Regent Van Etten, Regent Mullin and President Myers. At 10:30 a.m., the meeting returned to open session.

At 9:46 a.m., Regent Bain moved, followed by the second of Regent Feuerborn, to recess into executive session for 45 minutes in the Simmons Room to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Feuerborn, Regent Bain, and President Bardo. At 10:31 a.m., the meeting returned to open session.

At 9:45 a.m., Regent Thomas moved, followed by the second of Regent Murfin, to recess into executive session for 45 minutes in the Keen Kutter Room A to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Murfin, Regent Thomas, Regent Murguia and Chancellor Girod. At 10:30 a.m., the meeting returned to open session. Regent Murfin moved to extend 15 minutes. Regent Thomas seconded and the motion carried. At 10:45 a.m., the meeting returned to open session.

At 10:33 a.m., Regent Mullin moved, followed by the second of Regent Newton, to recess into executive session for 45 minutes in the Old Town Board Room to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Mullin, Regent Newton, Regent Van Etten, and President Garrett. At 11:18 a.m., the meeting returned to open session.

At 10:32 a.m., Regent Feuerborn moved, followed by the second of Regent Bain, to recess into executive session for 45 minutes in the Simmons Room to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Feuerborn, Regent Bain, and President Scott. At 11:17 a.m., the meeting returned to open session.

At 10:45 a.m., Regent Thomas moved, followed by the second of Regent Murfin, to recess into executive session for 30 minutes in the Keen Kutter Room A to discuss personnel matters of non-elected personnel. Participating in the executive session were Regent Murfin, Regent Thomas, Regent Murguia and Interim President Tompkins. At 11:15 a.m., the meeting returned to open session.

### BOARD POLICIES

Vice President Frisbie presented the proposed amendments to the policies located in the Facilities section of the Board's Policy Manual. The amendments clarify some of the processes and add language to establish when the Board's approval is required for leases to organizations related to the university and subsequent subleases by the related organization to third parties. Nelda Henning, Director of Facilities, reviewed the procurement process for capital improvement projects. These proposed amendments to the Facility policies will be presented to the Board for action sometime this Fall.

General Council Miller presented proposed amendments to the Council and Committees policy regarding the University Support Staff Council (USS) and the Unclassified Staff Council. Following discussion, there was a consensus to amend the policy to update the name of the Council, but that the reporting structure should remain as written in the policy.

General Counsel Julene Miller presented proposed amendments to the Board Office Organizational Chart and the proposal to eliminate the Kan-Ed policy. The amendments to the chart reflect current reporting lines and the removal of the Kan-Ed policy is being requested because there is no longer a Kan-Ed unit in the Board office. These proposals will be presented to the Board for final action sometime this Fall.

Vice President Frisbie stated crowdfunding is the practice of soliciting small donations from a large number of people to support projects or causes. Currently the Board does not have a policy on this topic but several state universities have active crowdfunding platforms. From a risk management perspective, the Board may want to consider forming a policy that has guidelines for the state universities on this topic. The university CEOs agreed that type of funding is being used more and believe it is a good idea for the Board to have a policy. Following discussion, the Board directed Board staff to draft policy language for the Board Fiscal Affairs and Audit Committee to review.

### BREAK

Chair Murfin called for a break at 12:00 p.m. and resumed the meeting at 1:00 p.m.

### FORESIGHT 2020

President Flanders stated the Board's strategic plan is approaching the end of its ten-year cycle, and it may be time to start discussing the process to update the plan to move beyond 2020. He noted over the years small tweaks have been made to the plan, but as the Board looks to the future it needs to be determined if the current goals and metrics are the correct ones to move higher education forward. President Scott noted the current plan is complex and is not consumable to the public. The updated plan needs to be simplified and focused on how higher education improves the lives of Kansans. The group discussed different aspects of the plan including the types of skills

and credentials that business and industry will need for the job market and the affordability of higher education. It was also noted that an updated plan needs to have support from the Legislature and the public higher education institutions. President Flanders stated he will assemble a small group to develop a process for updating the Board's strategic plan.

### BREAK

The Chair called for a break at 2:07 p.m. and resumed the meeting at 2:27 p.m.

### IMPLEMENTING PROCESS TO REQUIRE UNIVERSITIES TO SUBMIT JUSTIFICATION FOR ANY BACCALAUREATE DEGREE PROGRAMS EXCEEDING 120 SEMESTER CREDIT HOURS; 60 CREDITS FOR ASSOCIATE DEGREES (AA, AS, AND AGS)

Jean Redeker, Vice President for Academic Affairs, stated at the May 2017 meeting, the Board received information on the Board's policy on credit hour requirements for baccalaureate degrees. At that time, the Board asked staff to develop a process that would require universities to submit justification for any baccalaureate degree programs exceeding 120 semester credit hours. Vice President Redeker reviewed the following proposed process:

The Board of Regents may approve a request for a bachelor's degree program to exceed 120 credit hours.

- 1) Programs may be approved for the following reasons:
  - (a) Additional credit hours are required to meet specialized accreditation standards for program content, and such accreditation is expected or required for program graduates to become employed in the profession for which they are being prepared; or
  - (b) Additional credit hours are required to meet state or federal mandated criteria for professional licensing; or
  - (c) Other compelling academic reasons.
- 2) Requests for approval for a degree program to exceed 120 credit hours must be received by the second Friday in March<sup>1</sup>. In the request, the university must:
  - (a) identify all majors by program title and CIP code within the degree program and the number of credit hours required for each major;
  - (b) provide the full program of study for each major;
  - (c) identify which criterion selected as the basis for approval (1a, 1b, or 1c above), and provide documentation to support the justification. Such justification could also include the credit hour limits of similar programs regulated by state/federal agencies or accredited by the same accrediting body.
- 3) The Board Academic Affairs Standing Committee reviews all requests and makes recommendations to the full Board.

Vice President Redeker stated Board staff was also asked about the potential to implement a similar initiative systemwide for associate degree programs exceeding 60 credit hours. She noted Associate of Applied Science (AAS) degrees are greater than 60 credit hours and are often tied to external accreditation. Therefore, staff focus has been on Associate of Arts (AA), Associate of

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<sup>1</sup>Input on due date needed from state universities.

Science (AS), and Associate of General Studies (AGS) degree programs which typically require 62 or 64 credit hours. To move this initiative forward, the institutions with these degrees would need to determine the feasibility of limiting the credit hours and develop a process for exceptions. President Barwick, Independence Community College, and President Schears, Northwest Kansas Technical College, stated the biggest issue with limiting these programs to 60 credit hours is determining how the credit hours will transfer.

The university CEOs discussed the process and the timeline for implementing it. Vice President Redeker noted there would be a multi-year transition time and recommended having the Council of Faculty Senate Presidents and the Council of Chief Academic Officers review the proposed process.

#### COMMON ONLINE ADMISSION APPLICATION

At its June 2017 meeting, the Board received information on the benefits and the barriers of developing a common online undergraduate admissions application for the state universities, and during that discussion, the Regents expressed interest in simplifying the student application process. President Flanders stated filling out admission applications can be complicated, but there may be a way to streamline the process without pursuing a tool. One potential barrier that students face is that the applications require high school students to identify the precollege curriculum courses they took to meet the Board's qualified admissions criteria. Vice President Redeker stated that the university provosts and admission officers can review the Qualified Admissions requirements to determine if barriers exist. She also noted this was one of the First Generation Taskforce's recommendations. The Board discussed making this one of its goals for the year.

#### FIRST GENERATION TASKFORCE AND CONCURRENT ENROLLMENT TASKFORCE

The First Generation Taskforce was created by the Board to determine what barriers and supports exist for first generation college students. The members of the Taskforce include representatives from the two-year colleges and the universities and many of them either were or are first-generation students. Vice President Redeker stated at the June 2017 Board meeting, Regent Murguia presented the Taskforce's report and recommendations. The following recommendations were made for the Board to consider:

- Expand concurrent enrollment programs (college courses offered in the high schools) to open access and reduce costs for first generation students to give them an early start and realize academic success at the postsecondary level.
- Expand Kansas' current College Application Campaign to scale it statewide. The campaign focuses on ensuring first generation and low-income students apply to college.
- Review Qualified Admissions criteria with a specific focus on course requirements and determine if barriers exist for first generation students.

The Board discussed the importance of removing barriers that make accessing higher education difficult for students. As mentioned previously, filling out the admissions application can be challenging especially for first generation students. Vice President Redeker stated an initiative is underway in which high school counselors and volunteers go into the high schools to help students

navigate and complete the university and college admissions process. President Bardo spoke about WSU's efforts in the College Application Campaign. It was noted during the 2016 academic year, 26 high schools participated in the campaign and 2,746 students submitted 3,766 applications. The Board expressed interest in expanding this campaign to aid students at a system level and directed staff to bring back a proposal for consideration.

President Flanders stated in June the Board also received a letter from the Chair of the Senate Education Committee that encouraged the Board to create a taskforce to review potential obstacles or issues concerning concurrent enrollment of high school students. President Flanders noted that the Kansas Board of Regents and the Kansas Department of Education have an established coordinating council, which includes two members of the Kansas State Board of Education, two members of the Kansas Board of Regents, the Commissioner of Education at the Kansas State Department of Education, and the President and CEO of the Kansas Board of Regents. This Council could service as the taskforce to address this topic. The Board concurred that the Coordinating Council is the appropriate group to review concurrent enrollment.

#### BREAK

The Chair called for a break at 3:50 p.m. and resumed the meeting at 4:10 p.m.

#### AMEND AGENDA

The Chair amended the agenda to add the following item "Act on the University of Kansas' Request to Grant an Honorary Degree." This will be the last item on today's agenda.

#### 2016-2017 BOARD GOALS

President Flanders reviewed the progress on last year's Board goals and noted the work associated with some of the topics will continue even if the Board does not continue the goal.

#### GRANTING OF HONORARY DEGREE – KU

Chancellor Girod nominated Juan Manuel Santos to receive an honorary degree of Doctor of Humane Letters from the University of Kansas. Regent Van Etten moved to approve, and Regent Thomas seconded. The motion carried.

#### RECESS

The Chair recessed the meeting at 4:56 p.m.

#### RECONVENE

The Chair reconvened the meeting at 9:00 a.m. on Thursday, August 10, 2017.

#### MEMBERS PRESENT:

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

Ann Brandau-Murguia (by conference call)

#### TECHNICAL EDUCATION AUTHORITY

Ray Frederick, Chair of the Technical Education Authority (TEA), and Debbie Gann, Vice-Chair, gave an update on the Authority's priorities for the upcoming year. Chair Frederick stated the mission of the TEA is to drive the advancement of a robust technical education system to meet the needs of Kansas business and industry. This past year the TEA reviewed ways to reduce barriers in the program approval process, worked on improving collaboration between the two-year colleges and universities, and discussed ways to be more engaged with business and industry. The TEA's priorities for the upcoming year include assisting Board staff to develop a new Perkins State Plan (if the new federal Perkins bill is enacted), continuing the Military Articulation initiative, and supporting the Workforce Aligned with Industry Demand initiative. Regarding the Board's budget request, Chair Frederick reported that the TEA supports requesting full funding for the Excel in CTE Initiative and restoration of the 4 percent allotment. He noted the Excel in CTE Initiative is a successful program that benefits students and businesses but will become financially burdensome to the colleges if it is not fully funded.

Additionally, the TEA would like the Board to consider authorizing the Authority to be responsible for state grants involving only two-year colleges, adult education/AO-K oversight, and Carl D. Perkins oversight. The TEA also asked the Board to consider placing the requests for program approval involving two-year colleges on the Board's consent agenda once the TEA has approved the programs. Board staff will provide the Board with more information on these requests.

#### BREAK

The Chair called for a break at 9:46 a.m. and resumed the meeting at 10:08 a.m.

#### UNIFIED BUDGET REQUEST AND BOARD GOALS

President Barwick and President Schears stated the top legislative budget priority for the two-year colleges is the restoration of the 4 percent allotment. They also spoke about the importance of fully funding the Excel in CTE Initiative (SB 155) and fully funding the tiered and non-tiered technical education courses. The tiered technical education funding proviso and funding model, and the impact of the Excel in CTE Initiative were also discussed.

The Board stated its top priority for the unified budget request is the restoration of the FY 2017 allotment and discussed requesting the funds for the Excel in CTE Initiative (SB 155). The Board will act on the unified budget request at the September meeting.

President Flanders recapped the potential Board goals for the upcoming year, which are listed below. Staff will more fully develop the goals and present them to the Board for consideration at the September meeting.

- Form a Concurrent Enrollment Program Taskforce to identify potential obstacles that could impede expansion of concurrent enrollment in the state
- Simplify the undergraduate admission application process with a specific focus on Qualified Admissions
- Expand the College Application Campaign

- Continue work on systemwide efficiencies
- Hire a new president at Fort Hays State University

### BREAK

Chair Murfin called for a break at 11:00 a.m. and resumed the meeting at 11:11 a.m.

### KANSAS BOARD OF REGENTS STAFF REVIEW OF KEY ISSUES

Board staff reviewed key issues for their respective units. Vice President Redeker reported that Academic Affairs is responsible for staffing the different academic activities for the system which includes reviewing university degree programs, overseeing Qualified Admissions, managing the systemwide course transfer initiative, regulating private and out-of-state institutions, and supporting eight committees. In addition to its regular responsibilities, the academic affairs unit will continue to support the Board initiatives related to the Concurrent Enrollment Taskforce, the First Generation Taskforce, and implementing systemwide cut scores.

Vice President Frisbie reported that Finance and Administration is responsible for monitoring the state's budget, staffing facilities and capital improvement requests, collecting data and responding to data requests, and managing the Board Office's IT network. She spoke about the increased cost of the state health plan, the Comprehensive Annual Financial Report, and the Board's new responsibility of administering the Educational Building Fund. Regent Bangerter spoke about the Board's fiduciary duty regarding the Board's mandatory retirement plan, which contains approximately \$3.5 billion in assets. The Board discussed the difference between the Board's retirement plan and KPERS. Vice President Frisbie noted the Board also has a voluntary plan.

Vice President Smathers stated that Workforce Development will work to develop a new State Plan for CTE if the new federal Carl D. Perkins bill is enacted. His unit will also continue to work with the TEA on streamlining program approval and continuing the Kansas Military Collaborative initiative.

### BREAK

The Chair called for a break at 12:16 p.m. and resumed the meeting at 12:29 p.m.

General Counsel Miller reported that Legal is responsible for reviewing all Board contracts, responding to record requests, reviewing bond issuance transcripts, collecting quarterly litigation summaries from the universities, and compiling the materials for the Board agendas. She noted one priority for Legal this year is to review the Board agenda development process and determine if there are ways to streamline the process without sacrificing quality. Additionally, the legal unit supports the Board Governance Committee and the Board Retirement Plan Committee.

### UNIVERSITY CEO APPOINTMENT/COMPENSATION POLICY

The Board discussed the university CEO appointment process and compensation. The Board may want to review the timing of setting CEO compensation.

**DEVELOPING BOARD COMMITTEE AGENDAS**

Below is the new membership for each committee. Vice President Frisbie reviewed the proposed calendar for the Fiscal Affairs and Audit Standing Committee, and Vice President Redeker reviewed the proposed calendar for the Board Academic Affairs Standing Committee.

- Fiscal Affairs and Audit: – Regent Mullin, Chair, Regent Feuerborn, Regent Bain, and Regent Newton
- Academic Affairs – Regent Bangerter, Chair, Regent Thomas, Regent Murguia, and Regent Van Etten
- Governance – Regent Murfin, Chair, Regent Mullin, and Regent Bangerter
- Retirement Plan – Regent Bangerter, Chair and Regent Bain

**ADJOURNMENT**

Chair Murfin adjourned the meeting at 2:22 p.m.

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Blake Flanders, President and CEO

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David L. Murfin, Chair