

Council of Business Officers
August 3, 2011

The Council of Business Officers met at 10:00 a.m. The following university business officers and others were in attendance in the Kathy Rupp Conference room:

Ray Hauke - ESU	Steffani Webb - KUMC
Mary Herrin - WSU	Barry Swanson – KU
Mike Barnett - FHSU	Roger Lowe – WSU
Theresa Gordzica - KU	Diane Duffy - KBOR
Bruce Shubert -KSU	Theresa Schwartz - KBOR
John Patterson - PSU	Kelly Oliver – KBOR
	Madi Vannaman - KBOR

The June minutes were approved as written.

Summer Blackstone discussions: The Blackstone consulting group has been engaged to evaluate State of Kansas units (including public universities) to identify opportunities to increase efficiency and reduce costs. University representatives and BOR staff met with the group on July 7 in Topeka. Questions about university funding and operations, purchasing practices and program review procedures were answered. In addition, Barry Swanson from KU recently provided additional purchasing savings information he has been collecting. Blackstone is expected to provide a report to the Governor in August.

Spouse/Dependent Tuition Waiver: In May, COBO discussed the proposal from the Council of Faculty Senate Presidents that all of the universities provide a similar tuition waiver for employee dependents and spouses. FHSU has a long standing program that provides up to 12 credit hours of undergraduate instruction for dependents and up to 12 credit hours of undergraduate or 9 hours graduate credit for spouses. PSU offers a program that is very similar to the FHSU. KSU offers a program that will pay for up to 7 credit hours of undergraduate or 3 credit hours of graduate credit per semester for spouses and dependents of full-time employees. KU offers a Coke scholarship for employee dependents. Neither ESU nor WSU have a program. The system cost for the existing programs is \$1.45 million per year. The system cost of all institutions moving to a program similar to FHSU is \$6 million. The estimated cost increase of \$4.55 million would be spread among the universities as follows: KU - \$3.1 million, K-State - \$1 million, WSU - \$.3 million, ESU - \$.15 million. COBO believes that, because institutional priorities vary, institutional differences can continue and any proposed changes to these programs should be initiated by each university.

Updates to Facilities Legislation and Policies: K.S.A. 76-7,125, the State educational institution project delivery construction procurement act, will sunset on June 30, 2012. The procedures authorized by the legislation have been used to successfully complete many projects. KU is working with the other

campus architects, BOR staff and the vendor community to gain support for making the legislation permanent. Additionally, a number of changes to capital process legislation are being considered. Among the changes being considered are: changing the level at which a Department of Administration led selection process is required for architectural and engineering services and increasing the level at which the joint committee on state building construction needs to approve change orders. A meeting involving campus architects, BOR staff and vendors is to be held in August to finalize proposed legislative and policy changes. They shall be presented to COPS in September, and, if approved, will be placed on the September BOR agenda.

Deferred Maintenance Tax Credits: Deferred Maintenance Tax Credit Legislation, K.S.A. 79-32,261, provides tax credits through tax year 2012. COBO supports efforts to extend the tax credit opportunity past 2012.

Advisory Committee on Regents Benefits (ACORB): ACORB met in July to discuss employment issues. A discussion about various leave categories (vacation, sick, family sick, and bereavement) led COBO to wonder whether the concept of paid time off (combining all leave categories into one group) should be explored.

Department of Administration Reorganization: Kent Olson, now Inspector General for the Department of Administration (D of A), briefly talked to COBO about changes in the Department of Administration. Kent's role involves quality assurance, policy development, strategic planning and serving as an ombudsman to make it easier for state agencies and external entities to do business with the state. Kent and other D of A leaders will attend the September COBO meeting to further explain changes and ensure consistent communication continues.

COBO took the opportunity to ask Kent a number of questions about the newly announced State of Kansas voluntary retirement incentive program.

Classified employee status: COBO discussed the state classified employee system.

FY 2014 budget submittal process: The University budget directors will be asked to recommend changes to the budget submittal process.

State Employee Health Insurance: Mike Michael and Cheryl Miller from the Kansas Health Policy Authority (KHPA) and Marcia Nielson, from KUMC, joined COBO at 1:00 pm to discuss the state employee health insurance plan. Financial information for the entire system and the public universities was presented. The relationship between University expenses (claims) and contributions (premiums) shows that the Universities are most likely not subsidizing the state plan. Mike, Cheryl and Marcia then explained plans to implement a more proactive health screening process. The universities are encouraged to work with the KHPA to promote healthy behavior –the most effective method of controlling health care costs.

COBO adjourned at 2:15.