

GOVERNANCE COMMITTEE
Kansas Board of Regents
MINUTES
September 18, 2024

The Kansas Board of Regents Governance Committee met on Wednesday, September 18, 2024. Regent Ice called the meeting to order at 9:00 a.m. Proper notice was given according to the law.

Members Present: Carl Ice, Chair
 Jon Rolph
 Diana Mendoza
 Blake Benson

MINUTES

Regent Rolph moved to approve the minutes of the June 20, 2024, meeting. Regent Benson seconded the motion and the motion carried.

CONSIDER REQUESTS FOR BOARD PRESIDENT AND CEO TO EXECUTE BOARD CONTRACTS

Gage Rohlf, Associate General Counsel, provided an overview of contracts requiring the Board President and CEO's signature. He explained that under Board policy, the Board President and CEO can negotiate but cannot enter contracts exceeding \$250,000 or terms longer than three years without Governance Committee approval.

Three contracts were presented:

1. Government Relations Services – Already negotiated and ready for signature, this contract requires approval because its cost exceeds \$250,000.
2. Legal Services for Workforce Development – This contract, which has been negotiated, establishes hourly pricing for services and seminars. It requires approval due to its term exceeding three years.
3. Adult Education Data Management System – Although bids have been received, final negotiations are still pending. This contract will replace the current system used for federal reporting and is expected to have a term longer than three years.

After presenting the details, Chair Ice inquired whether the committee would prefer to consider the contracts simultaneously or individually. Following brief discussion, the committee moved forward to approve all three contracts. Regent Benson made the motion, seconded by Regent Mendoza, and the motion carried.

REVIEW PROPOSED REVISIONS TO BOARD POLICY NOT BEING WORKED BY ANOTHER BOARD COMMITTEE

- *BOARD POLICY ON GOVERNANCE OF CYBERSECURITY, INFORMATION TECHNOLOGY AND RISK MANAGEMENT*

Steve Funk, KBOR Director of Information Technology, provided an update on the IT portion of policy changes, starting with the response to Senate Bill 291. This bill, passed in the last legislative session, significantly overhauled IT governance across the state government, particularly the executive branch. However, universities were exempted from these requirements.

The policy presented mirrors the governance requirements of Senate Bill 291, aligning universities with similar or stronger IT governance standards. The changes discussed at the July Retreat have since been refined to strengthen the Chief Information Officers' (CIOs) authority and control over their IT environments. This gives CIOs more defined responsibility and control, going beyond what the Senate Bill mandates.

Director Funk highlighted that the new policy provides clear definitions of CIO control and responsibilities. He acknowledged Angela Neria from Pittsburg State and Ken Harmon from Wichita State for their instrumental roles in crafting these revisions.

Chair Ice asked whether the enterprise risk management provisions allow adequate flexibility for institutions' unique circumstances. John Curran, University of Kansas Chief Risk Officer stated that he believes they do.

Regent Rolph moved to approve the policy revisions for consideration by the full Board. Regent Benson seconded the motion and the motion carried.

REVIEW BOARD MEMBER CONFLICT OF INTEREST DISCLOSURES AND MAKE RECOMMENDATIONS TO ADDRESS ANY ACTUAL OR PERCEIVED CONFLICTS

John Yeary, General Counsel, provided an update on Board policy regarding conflict-of-interest disclosures by Board members. He reminded the Committee that each year, Board members must disclose their affiliations and memberships, which the Board members submitted in July. General Counsel Yeary explained that his role was to summarize these disclosures, ensure they were recorded in the meeting minutes, and guide the Board in determining if any affiliations present a conflict of interest.

Yeary highlighted several cases in which Regents serve on various boards. For example, Regent Dicus serves on the Board of Regents at Washburn University, which is statutorily required. Regents Benson and Dicus serve on the governing boards of non-controlled affiliated corporations of institutions governed by the Board. Additionally, Regent Ice serves on a non-governing Board of an affiliated corporation of an institution governed by the Board. Regent Dicus serves on an advisory Board of an institution that is governed by the Board and on a non-governing board of an institution that is coordinated by the Board. And Regent Parasker serves on the governing Board of an organization created by Executive Order of the Governor of Kansas to assist an office within the Kansas Department of Commerce and also on a council that promotes apprenticeship. Staff recommends approving continued services on these Boards, as these roles were deemed beneficial to the institutions and are not considered conflicts of interest under Board policy.

However, Yeary recommended that certain Regents recuse themselves from participating in Board actions related to any contracts or transactions involving entities they are affiliated with. These recommendations included:

- Regent Benson for matters related to the Pittsburgh Area Chamber of Commerce and the lease of space by Fort Scott Community College.
- Regent Ice for matters involving a radio station and a business with Cowley County Community College and Johnson County Community College.
- Regent Parasker for matters involving her company, Snap It Solutions, and an associated entity that holds intellectual property, Nilofer Venture Holdings.
- Regent Winter for matters involving his investment in a startup company, Ad Astra Integrity Measurement Systems.

Yeary concluded by recommending that Regents Benson and Mendoza excuse themselves from participating in Board actions directly affecting academic programs in which they are enrolled. These steps ensure compliance with the Board's conflict of interest policy.

Regent Rolph moved to approve the staff recommendations regarding the disclosed conflicts, seconded by Regent Mendoza, and the motion carried.

EXECUTIVE SESSION - CEO COMPENSATION

At 9:24 a.m., Regent Rolph moved that the Governance Committee recess into executive session to discuss personnel matters involving non-elected personnel, specifically focusing on University CEO compensation. The purpose of the session was to protect the privacy of the individual Board employees involved. He stated that the session would last until 9:39 a.m. and would include members of the Kansas Board of Regents, President and CEO Blake Flanders, General Counsel John Yeary, and Director of Finance and Administration Becky Pottebaum.

At 9:39 a.m. the executive session ended, and the meeting resumed in open session.

ADJOURNMENT

At 9:40 a.m., Chair Ice adjourned the meeting.