

Approved: \_\_\_\_\_

Date

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 1:30 P.M. on March 25, 2008 in Room 514-S of the Capitol.

All members were present except:

Lana Gordon- excused

Committee staff present:

Matthew Todd, Revisor of Statutes  
Audrey Dunkel, Kansas Legislative Research  
Leah Robinson, Kansas Legislative Research  
Dee Heideman, Committee Assistant

Conferees appearing before the committee:

John Vratil, Kansas Senator, 11<sup>th</sup> District  
Mark Tallman, Assistant Executive Director, Kansas Association of School Boards  
Diane Duffy, VP Finance, Kansas Board of Regents  
Jerry Farley, President, Washburn University  
J Michael Lamb, VP for Planned Giving and Development Services, Wichita State University  
Foundation

Others attending:

See attached list.

**SB 425 - Direct investments by school districts**

Matthew Todd presented an overview of **SB 425**. (Attachment #1)

John Vratil is a proponent of this bill because it treats Kansas school districts in the same way that cities and counties are treated and it strengthens the ability of Kansas school districts to make the best use of the resources available to them. (Attachment #2)

In support of this bill, Mark Tallman states **SB 425** simply amends the statute to give school districts the same latitude to invest idle funds as governmental entities. He feels this is also a better investment of idle funds. (Attachment #3)

The chairman closed the hearing on **SB 425**.

**SB 403 - Partnership for faculty of distinction program; state income earnings equivalent cap, removed**

Matthew Todd briefly explained **SB 403**. (Attachment #4)

On behalf of the Board of Regents, Diane Duffy testified in support of **SB 403**. Under this program, a private donor's gift to an institution's endowment association that meets certain statutory qualifications will be matched by the State in the amount of income earnings the donation would have generated if deposited with the State. This bill recommends the earnings cap be raised to \$10 million. (Attachment #5)

Jerry Farley urged passage of this bill because it would raise the limit of the state's earnings equivalent from the current \$5 million to the requested \$10 million. He feels this increase will enable postsecondary educational institutions to continue to use the leverage of the state matching endowment earnings in soliciting endowment gifts in keeping with the statutory dollar magnitude and program limitations. (Attachment #6)

Testifying in support of **SB 403**, J. Michael Lamb stated he appreciated the partnership between the public and private sectors, and the opportunity to advance higher education in our state. He stated the Faculty of Distinction program has been an extraordinarily positive program to leverage private dollars for the purpose of attracting and retaining faculty. (Attachment #7)

CONTINUATION SHEET

MINUTES OF THE House Education Budget Committee at 1:30 P.M. on March 25, 2008 in Room 514-S of the Capitol.

The following written only testimony was submitted:  
Sheila Frahm, Executive Director, Kansas Association Community College Trustees. (Attachment #8)

The hearing on SB 403 was closed by Chairman McLeland.

Presentations were given by:  
Scott Frank, Audit Manager, Legislative Division of Post Audit, K-12 Education: Reviewing Issues Related to Special Education Funding. He distributed a Performance Audit Report which can be obtained in the Legislative Post Audit office. A "Summary of Findings" was passed out to the committee. (Attachment #9)

An overview of the Kan-ed network update was presented by Brad Williams, Chief Information Officer, Kansas Board of Regents. No testimony was distributed.

Scott Schneider, Director of Governmental Affairs, Cox Communications, spoke on Kan-ed draft legislation. (Attachment #10)

The Education Budget Committee was adjourned by Chairman McLeland at 3:05 PM.

**GUEST SIGN-UP SHEET**  
**HOUSE EDUCATION BUDGET COMMITTEE**  
 March 25, 2008  
 1:30 P.M. 514-S

NAME	AFFILIATION
John Farkas	Paragon Small Bus. Assoc.
Mark Tallman	Ks Assoc. of School Boards
Jennifer Findley	KHA
Sue Peterson	K-STATE
LARRY BEEB	KACCT
GAYLE SHAW	KACCT
Aileen Jensen	COY
SCOTT SCHNEIDER	Cox
Steve Shaw	Federica Consulting
Gayle Shaw	KACCT
Michael Lane	ESU
Donagherty	ESU
Mike Lamb	WSU Foundation
ERIC Sexton	WSU
BRAD NEUENSWANDER	KSDE
Brad Williams	KBOR/Kan-ed
COCK BUFFINGTON	KANREN/Kan-ed
TERRI FORSYTH	KNED
Scott Shoemaker	Calence
Sheila Farkas	KACCT

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MEMORANDUM

To: Representative McLelend, Chairman, Education Budget Committee  
From: Matthew Todd, Assistant Revisor  
Date: March 25, 2008  
Re: SB 425 – Direct investment by school districts

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SB 425 amends K.S.A. 12-1677b, relating to the investment of public moneys. The bill would add “school districts” to the list of municipalities allowed to invest in the manner prescribed in the bill, if its written investment policy is approved by the school board and the Pooled Money Investment Board (PMIB). The bill would take effect upon publication in the Kansas Register.

School district investments are currently regulated under K.S.A. 12-1675, which limits the investment in securities to maturities of two years. This bill would allow school districts to invest in federal agency securities, as well as securities with maturities of up to four years.

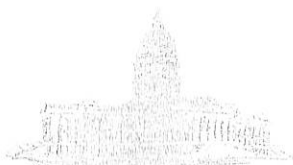
Note: K.S.A. 12-1675 applies to political subdivisions authorized to receive, hold, or expend public funds, and does not include the Board of Regents.

The fiscal note points out that the bill would require PMIB to annually review and approve the investment policy of the school district, which will require some staff time, but PMIB indicated the cost would be negligible and could be absorbed within existing resources.

House Education Budget Committee  
Date: 3-25-08  
Attachment #: 1

# State of Kansas

JOHN VRATIL  
SENATOR, ELEVENTH DISTRICT  
JOHNSON COUNTY  
LEGISLATIVE HOTLINE  
1-800-432-3924



COMMITTEE ASSIGNMENTS  
CHAIR: JUDICIARY  
VICE CHAIR: EDUCATION  
MEMBER: FEDERAL AND STATE AFFAIRS  
ORGANIZATION, CALENDAR  
AND RULES  
SENTENCING COMMISSION  
INTERSTATE COOPERATION

## Vice President Kansas Senate

Testimony Presented to  
The House Education Budget Committee  
By Senator John Vratil  
March 25, 2008  
Concerning Senate Bill 425

Good afternoon. Thank you for the opportunity to appear before the House Education Budget Committee in support of Senate Bill (SB) 425. The language in SB 425 would enable Kansas school districts to invest idle funds in securities issued by federal agencies.

Currently, Kansas cities and counties are authorized to invest their idle funds in securities issued by approved federal agencies. Senate Bill 425 would add school districts to the list of entities that are so authorized and place the same constraints on the school districts that exist for cities and counties. A Kansas school district would be able to invest idle funds in securities issued by federal agencies if and only if the school district has a written investment policy that was previously approved by the municipal pooled money investment board.

The language in SB 425 proposes to treat Kansas school districts in the same way that cities and counties are treated. If adopted, the language would enable school districts to maximize the investment potential of the districts' idle funds; therefore, reducing the burden placed on taxpayers to fund our schools.

I ask that you support SB 425 because it strengthens the ability of Kansas school districts to make the best use of the resources available to them.

A handwritten signature in black ink that reads "John Vratil".

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House Education Budget Committee  
Date: 3-25-08  
Attachment #: 2

vratil@senate.state.ks.us

KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024  
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Testimony before the  
**House Education Budget Committee**

on  
**SB 425**

by

**Mark Tallman, Assistant Executive Director/Advocacy**  
Kansas Association of School Boards

**March 25, 2008**

Mr. Chairman and Members of the Committee:

Currently, K.S.A. 12-1677b does not include school districts when describing opportunities for governmental entities to invest idle funds. **SB 425** simply amends the statute to give school districts the same latitude. KASB is supportive of the bill.

Our members have adopted, as part of our local school finance policies, the stance that local boards be allowed to be the best stewards of the public's money by investing it in ways that maximize return yet always be secured and never invested in a speculative fashion. Amending K.S.A. 12-1677b allows school districts to better invest their idle funds as it gives them a wider array of possibilities from which to choose, including direct obligations of the federal government.

Thank you for your consideration.

House Education Budget Committee

Date: 3-25-08

Attachment #: 3

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MEMORANDUM

To: Representative McLelend, Chairman, Education Budget Committee  
From: Matthew Todd, Assistant Revisor  
Date: March 25, 2008  
Re: SB 403 – Partnership for Faculty of Distinction program; removing state income earnings equivalent cap

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SB 403 would make changes to the Kansas Partnership for Faculty of Distinction Program, which provides a state match for interest earned on qualifying contributions to eligible educational institutions for the purpose of attracting and retaining faculty of distinction.

Section 1 amends K.S.A. 76-774, which establishes and sets parameters on the administration of the Faculty of Distinction Program. The stricken language on page two, in lines one through three, would remove an outdated restriction on the Board of Regents. Likewise, by striking subsection (d), the bill would eliminate some language that is no longer applicable.

Section 2 amends K.S.A. 76-775, relating to limitations on transfers from the State General Fund for earnings equivalent awards. The bill would increase the cap on matching funds, which may be transferred from the State General Fund, from \$5 million (estimated to occur in FY 2009) to \$10 million. The fiscal note on SB 403 indicates that this change would result in \$830,000 in additional transfers from the State General Fund in FY 2009. The fiscal note also estimates that it would take an additional six years to reach the proposed \$10 million state match in interest earnings. This estimate is based on the average of \$20 million in new gifts over the past three years, and a 4% interest rate.

Section 3 contains a technical amendment to K.S.A. 76-776, on page three, in lines 35 and 36, by striking “the” and inserting “than”.

The act would take effect upon publication in the Kansas Register.

House Education Budget Committee  
Date: 3-25-08  
Attachment #: 4



# KANSAS BOARD OF REGENTS

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**House Education Budget Committee**  
**March 25, 2008**

*Testimony in Support of Senate Bill 403*

**Diane C. Duffy**  
**Vice-President for Finance and Administration**

Chairman McClelland, and members of the Committee, thank you for the opportunity to appear before you this afternoon. I am here on behalf of the Kansas Board of Regents to testify in support of Senate Bill 403, legislation that would amend the Kansas Partnership for Faculty of Distinction Program to increase the current SGF trigger on the state income earnings equivalent awards from \$5 million to \$10 million. As you may know, last month the Senate overwhelmingly approved this legislation in a 31-9 vote.

## **Background**

The Faculty of Distinction Program, enacted in 2000, significantly enhances public postsecondary educational institutions attract and retain highly qualified faculty by encouraging and multiplying the effects of gifts from private donors for that purpose. Under this program, a private donor's gift to an institution's endowment association that meets certain statutory qualifications will be matched by the State in the amount of income earnings the donation would have generated if deposited with the State. Funds are used to supplement a professor's salary and to provide additional operating support for assistants, travel, equipment, or other expenses of the endowed professorships. In other words, this program is a three-way partnership: 1) Private donor endows a professorship; 2) Institution provides a faculty position and budget; and 3) State contributes earnings equivalent award on private gift based on state idle funds interest rate.

## **Current Program**

In Fiscal Year 2008, the State contributed \$4,085,105 in matching funds to the program. Because an interest earnings equivalent threshold of \$4 million or greater was established as the trigger point for program evaluation, the Board submits the attached report, which provides a brief program overview, shares program totals, and recommends program improvements. Additionally, each institution has prepared a response to the statutory evaluation criteria, which are included as an Appendix to the attached program evaluation report.

The Board's evaluation reveals that the program has been successful in attracting and retaining professors. Over 110 professorships have been established since the program's inception

House Education Budget Committee  
Date: 3-25-08  
Attachment #: 5



through October 2007, and these professorships represent over \$96 million of investment in Kansas' institutions of higher learning.

As a result of the unique partnership represented by this program, institutions have attracted significant investment dollars that have produced, and will continue to produce, an economic impact on Kansas and the institutions. Attracting nationally and internationally known scholars to Kansas has enabled institutions to increase their visibility and attract conferences, visitors, artists, and scholars to their campuses. These initial dollars will continue to affect the economy by attracting new students (at all levels of study), increasing the number of students an institution can support in programs, and generating better-educated and trained professionals in high demand fields. Through outstanding achievements and breakthroughs in their respective fields, the supported professorships will help Kansas to continue to attract the best and brightest in important areas ranging from animal and agriculture sciences, economics, education, biosciences, and aviation.

Although there is no formula that can truly illustrate the immediate and long-term economic and educational impact of this Program, the evidence collected powerfully suggests that the program has been quite successful. **It is important to highlight the fact that through this program, state funds leveraged over \$96 million in private gifts to Kansas institutions, as of October 31, 2007.**

At the current level of investment and interest earnings equivalent, the program will exceed \$5 million for state matching funds in Fiscal Year 2008 (payable to the institutions in Fiscal Year 2009). With the proven success of the program, the Board recommends that the earnings trigger be raised to \$10 million, a recommendation that is embodied in Senate Bill 403. Since the program's inception, interest earnings equivalent rates have fluctuated but have shown steady increases in the last three years. It has taken six years to reach \$5 million, and assuming an average of \$20 million in new gifts per year (the average of the three most recent years), and a 4% state interest earnings rate, it would take six additional years to earn \$10 million in state matching funds. Making the new amount effective upon publication in the Register would also eliminate concerns about the Board's legal authority to continue to certify gifts in the current fiscal year. Although recent market events, illustrate the difficulty in predicting future interest rates.

Mr. Chairman and members of the Committee, thank you for your consideration of Senate Bill 403 and for the opportunity to appear before you. I would be happy to stand for any questions that you might have.

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# Kansas Partnership for Faculty of Distinction Program

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Program Evaluation Report



January 2008

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## Executive Summary

The Kansas Partnership for Faculty of Distinction Program (Program) was enacted in 2000 to assist public postsecondary educational institutions attract and retain highly qualified faculty. Through a partnership between institutions, private donors, and the State of Kansas, qualified gifts to an endowment association are matched by the state at an interest earnings equivalent. The institutions also contribute endowment earnings to support the professorships.

As established by statutes, the program is administered by the Kansas Board of Regents (Board). The statutes also stipulate the reporting triggers, requirements and timelines for Program evaluation.

In Fiscal Year 2008 (FY 08), the State of Kansas contributed \$4,085,105 in matching funds to the Program. An interest earnings equivalent threshold of \$4.0 million or greater has been established as the trigger point for Program evaluation.

The Board submits this Report which provides a brief Program overview, shares Program totals, and recommends Program improvements. Additionally, each institution has prepared a response to the statutory evaluation criteria, which are included as an Appendix to this Program Evaluation Report.

The Board's evaluation reveals that the Program has been successful in attracting and retaining professors. Over 110 professorships have been established since the Program's inception, and these professorships represent over \$96 million of investment in Kansas' institutions of higher learning to date.

As a result of the unique partnership represented by this Program institutions have attracted significant investment dollars that have produced, and will continue to produce, an economic impact on Kansas and the institutions.

- These initial investment dollars have conservatively yielded \$3.8 million in contributions through new grant, private, and programming funding.
- Attracting nationally and internationally known scholars to Kansas has enabled institutions to increase their visibility and attract conferences, visitors, artists, and scholars to their campuses.
- These initial dollars will continue to affect the economy by attracting new students (at all levels of study), increasing the number of students an institution can support in programs, and generating better-educated and trained professionals in high demand fields.

Through outstanding achievements and breakthroughs in their respective fields, the supported professorships will help Kansas to continue to attract the best and brightest in important areas ranging from animal and agriculture sciences, economics, education, biosciences, and aviation.

Although there is no formula that can truly illustrate the immediate and long-term economic and educational impact of this Program, the evidence collected and presented here suggests powerfully that the Program has been successful. **It is important to**

**highlight the fact that through this program, state funds leveraged over \$92 million in private gifts to Kansas institutions from FY 02 to FY 07.**

At the current level of investment and interest earnings equivalent, the Program will exceed \$5 million for state matching funds in FY 08 (payable to the institutions in FY 09). With the proven success of the program, the Board recommends that the earnings ceiling be raised to \$10 million effective upon publication of such legislation in the Register.

Legislative Request

Over the Program's life, interest earnings equivalent rates have fluctuated but have shown steady increases in the last three years. It has taken six years to reach \$5 million, and assuming an average of \$20 million in new gifts per year (the average of the three most recent years), and a 4% state interest earnings rate, it would take six additional years to earn \$10 million in state matching funds. Making the new amount effective upon publication in the Register would also eliminate concerns about the Board's legal authority to continue to certify gifts in the current fiscal year.

## Kansas Partnership for Faculty of Distinction Program Overview

### Program Development

The Kansas Partnership for Faculty of Distinction Program (Program) was enacted in 2000 to help public postsecondary educational institutions attract and retain highly-qualified faculty. Through a partnership among postsecondary institutions, private donors, and the State of Kansas, qualified private donor gifts to an institution's endowment are matched at the interest earnings equivalent rate by the state. These dollars may be used to supplement a professor's salary, provide additional operating support for assistants, travel, equipment or other expenses of the endowed professorships. Institutions are responsible for marketing, attracting, and securing gifts for the Program.

Four Kansas statutes established the Program, each is listed below with a brief description:

- K.S.A. 76-773 defines the key terms for the Program and establishes criteria for gifts to qualify for the Program.
- K.S.A. 76-774 establishes Kansas Board of Regents (Board) authority to administer the Program and the process to handle qualified gifts. Institutions are required to establish an account within the general budget for the Program.
- K.S.A. 76-775 defines the process for the payment of funds and sets the maximums on the amount of new qualifying gifts during any State of Kansas fiscal year.
- K.S.A. 76-776 charges postsecondary institution presidents, CEOs, chancellors, or directors to establish endowed professorship(s) under the Program. It also establishes reporting requirements (from the institutions, to the Board and from the Board to the Legislature), as well as associated timelines.

Specifically, the Program is to be evaluated on three criteria annually when the earnings equivalent award is equal to, or greater than, \$4,000,000:

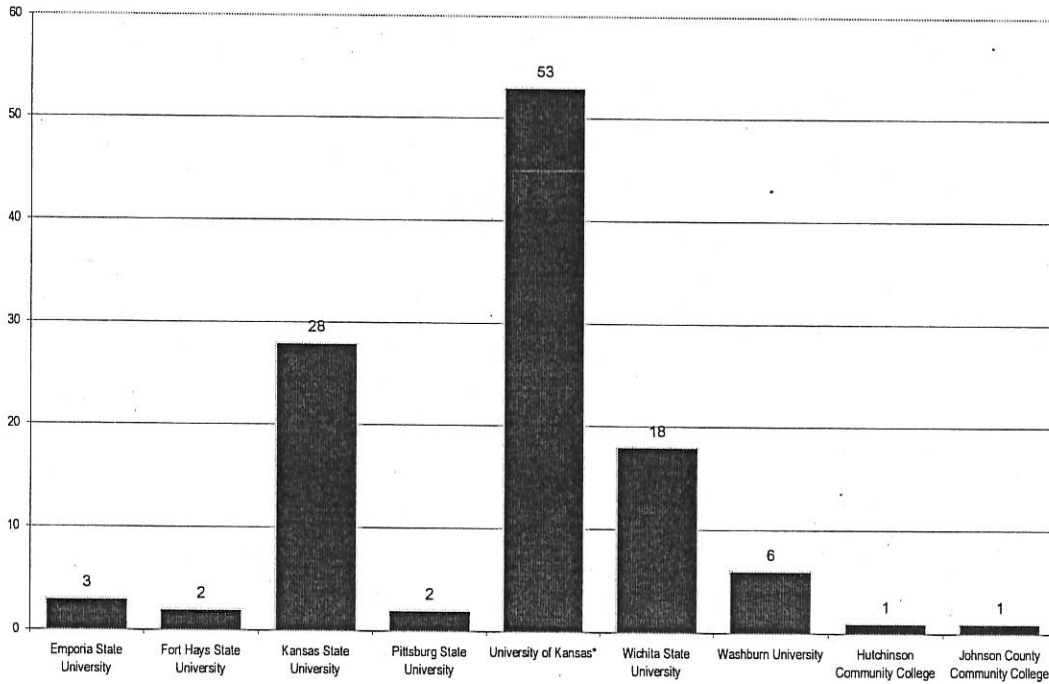
- 1) the effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible institutions;
- 2) the economic impact of the program on eligible institutions and the state; and
- 3) other appropriate factors specified by the Board.

## Program Totals

Since the Program's inception, 173 gifts have been certified (as of October 31, 2007), totaling over \$96 million. This represents 114 endowed professorships at nine institutions (ten campuses) in areas ranging from American Literature and Culture to Engraving Arts, Agriculture to Microeconomics, and Education to Preventive Medicine.

Total Partnership for Faculty of Distinction Program Endowed Professorships by Institution (October 31, 2007)

Chart 1.1



\*University of Kansas represents 2 campus locations Lawrence and the University of Kansas Medical Center in Kansas City.

## Endowed Professorships by Fiscal Year

Table 1.1

Fiscal Year	# New Endowed Professorships	# Institutions Participating	Value of New Private Gifts	Total Value of Private Gifts in Program	% Increase in Program Total Value
2002	29	7	\$17,008,347	\$17,088,347	--
2003	13	5	\$7,486,262	\$24,292,609	43.34%
2004	12	4	\$9,609,861	\$34,104,471	39.23%
2005	22	6	\$16,262,491	\$50,366,962	47.68%
2006	14	6	\$16,410,926	\$66,777,888	32.58%
2007	18	5	\$25,852,495	\$92,630,384	38.71%
2008*	6	2	\$4,316,712	\$96,947,097	--

\*Qualified gifts received through October 2007 for FY 2008.

While individual gift amounts have varied from \$82,000 to over \$2 million, the average gift is \$500,284. Each gift has been leveraged by the institution to further its educational and/or research mission.

The unique private and public partnership of the Program enables private gifts to be enhanced through an earnings equivalent (paid by the State of Kansas as established in K.S.A. 76-775). The institutions' role in the partnership requires the institution to establish a fund for gift deposits and pay out interest to support the designated professorships.

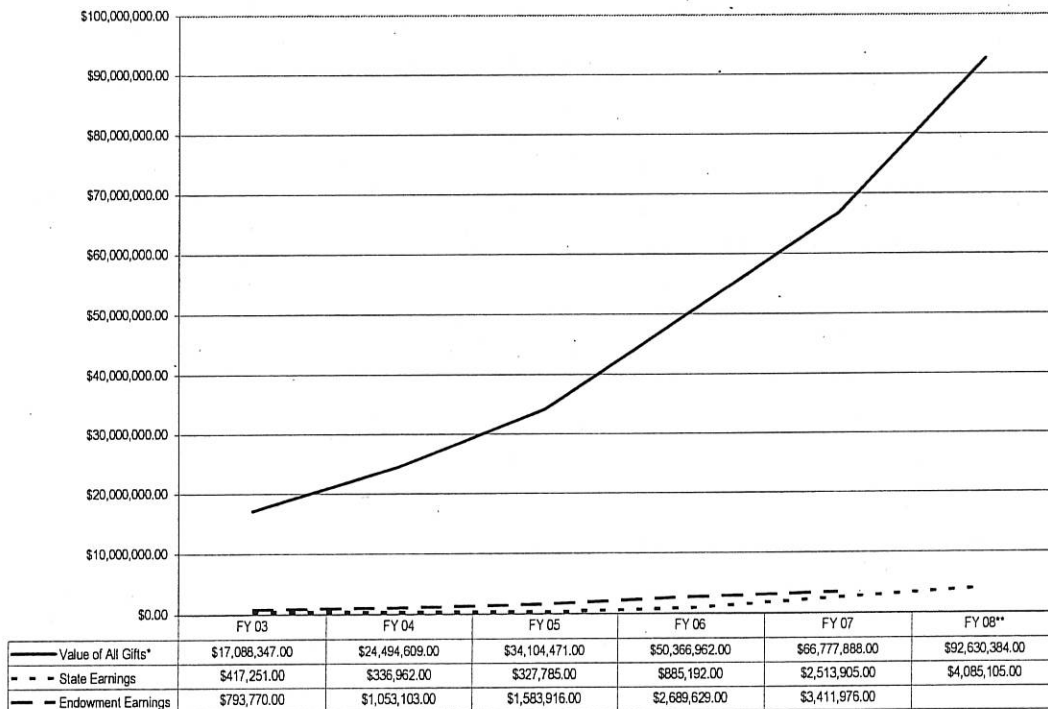
Over the life of the Program, the total value of the Program has increased by 30%, or more, each year. The largest single year of increase in the Program's total value was FY 05, with a 47% increase. During FY 07, institutions qualified 40 new gifts for participation in the Program, a 38% increase. The increase of over \$25 million pushed the total value of all gifts to over \$92 million.

The interest earnings equivalent the state pays to the institutions each fiscal year is determined by the average interest rate of the Pooled Money Investment Board's portfolio for that year. The interest rate has fluctuated since the Program's inception. The lowest earnings equivalent rate was in FY 04, at 1.108%. The highest rate was earned in FY 07 at 5.088%.

Gifts have earned over \$8 million through the interest earnings equivalent. Gifts received in FY 07 earned \$4,085,105 from the state. Endowment earnings for the same period will be reported to the Board in September, 2008. Over the life of the Program, Endowment earnings have generated over \$9 million. These earnings are used to support the endowed professorships, provide additional operating support for assistants, travel, equipment, or other expenses of the endowed professorships.

**Total Kansas Faculty of Distinction Program Dollars by Funding Source and Fiscal Year**

Chart 1.2



\*Value of All Gifts is reported for previous Fiscal Year. For example in FY 2002, the Total Value of All Gifts submitted to the Program was \$17,088,347. The State and Endowment Earnings were payable in FY 03 based on the FY 02 Program Value.

\*\*FY 08 Endowment Earnings will be reported in September 2008.



As established in K.S.A. 76-776, when the state earnings equivalent award in a single Fiscal Year is equal to or greater than \$4 million, the Board must submit to the Legislature a report on the effectiveness of the program. In FY 08, the earnings equivalent award exceeded \$4 million, triggering the first formal report regarding the Program to the Legislature.

## **Program Evaluation Summary**

By having the Kansas Partnership for Faculty of Distinction Program available, higher education in Kansas was in a position to demonstrate...that the State of Kansas is keenly interested in partnering with donors... *University of Kansas*

We believe that this is one of the best examples of how state funds can be leveraged to secure private support for higher education. For Wichita State University, the Faculty of Distinction Program has been an unqualified success in support of its mission in Kansas and the nation. *Wichita State University*

It is clear that the Faculty of Distinction Program represents more than a budget expenditure. It is truly an investment in the future of the entire state educational system. *Fort Hays State University*

## **Program Deployment**

Institutions are responsible for marketing, attracting, and securing gifts for the Program, which has resulted in varying levels of participation. Generally, the larger the institution, the more likely it is to take advantage of the Program. This may be attributable to a variety of factors, the most likely being the availability of a larger pool of potential donors and a more established rapport with those donors, which encourages regular giving.

What is especially promising is that smaller institutions, in particular Community and Technical institutions, have recently been able to attract gifts eligible for the Program. Hutchison Community College and Johnson County Community College have, for example, submitted a total of six qualifying gifts for the Program.

Institutions report that potential donors are often aware of similar matching or leveraging programs in other states. The availability of, and increasing awareness of donors about, the Program has set a stage for continued Program growth.

## **Attracting & Retaining Faculty**

A total of 114 professorships have been established under the Program. The professorships enabled institutions to retain outstanding professors by enhancing salary packages and/or extending new opportunities in research, grants, or other special assignments.

Several institutions reported that the endowed professorships allowed them to retain valuable professors that were being recruited by other institutions. Other institutions report that the Program has enabled them to retain professors by providing an additional level of recognition for outstanding contributions to the institution or their specific area of study.

In addition to retaining highly qualified individuals, the Program has enabled institutions to recruit and attract nationally and internationally renowned scholars. Attracting these scholars to Kansas has boosted institutional efforts to increase their visibility and attract conferences, visitors, students, artists, and important scholars to their campuses.

The availability of Program funds enabled the Department of Economics to successfully recruit Professor Bernard Comet of the Sorbonne University, Paris. His presence has greatly enhanced the visibility of the Department. In his first two years, he organized the first two major conferences hosted by the Economics Department, bringing several hundred economists from around the world. He has also spearheaded the modernization of the Ph.D. program. The number of new Ph.D. students enrolled has doubled. *University of Kansas*

According to Kansas State University, the Faculty of Distinction Program is "absolutely critical" to its efforts to recruit and retain faculty members, and has helped them recruit and retain a number of faculty in diverse fields. Across all institutions, it is clear that the Program has opened new doors for securing gifts that will positively impact the educational value they can offer students.

The Program enabled the university to pursue a gift that supported the hiring of an international business professor - our first. Without the additional salary dollars provided by the Faculty of Distinction Program, it is very unlikely we would have been able to make this hire. The ongoing support offered by the Program makes it much more likely the professor will remain on our staff in the years to come. *Pittsburg State University*

## **Economic Impact**

The unique partnership of the Program has resulted in institutions attracting significant investment dollars that have produced, and will continue to produce, a positive and powerful economic impact on Kansas and the higher education community. State funds have leveraged over \$92 million in private gifts to Kansas institutions from FY 02 to FY 07.

These initial investment dollars have conservatively yielded \$3.8 million in contributions through new grant, private, and programming funding. These initial dollars will continue to impact the economy by attracting new students (at all levels of study), increasing the number of students an institution can support in programs, and generating better educated and trained professionals in high demand fields.

The Voss Professorship has been effective in generating approximately \$300,000 for FHSU leadership programming and educating citizens for democracy. Much of the \$300,000 has been used to support the Kansas Youth Leadership Academy endorsed by Governor Sebelius and administered by the Center for Civic Leadership. *Fort Hays State University*

The Zamierowski Endowed Professorship for Nursing and Medical Simulation focuses on the new patient simulation lab. The simulation lab will enable students to triage and care for multiple "patients" at one time and to work in teams, replicating real-world nursing practices. Maximizing the lab's potential will allow us to serve a larger number of students in RN, LPN, EMT, respiratory care, and RN refresher courses. *Johnson County Community College*

Prior to the Faculty of Distinction program, the college of Engineering had 4 chairs. Since the program began, the number of chairs has increased to 9. There are planned giving MOUs that will provide an additional 6 chairs sometime in the future to bring the total number of these chairs to 15. *Kansas State University*

Through outstanding achievements and breakthroughs in their fields, the supported professorships will help Kansas to continue to attract the best and brightest in important fields ranging from animal and agriculture sciences, economics, education, biosciences, and aviation.

The Professor in Orthomolecular medicine and Research has worked closely with Kansas legislators, the Kansas State Board of Healing Arts and the Kansas Medical Society to develop and pass laws and to define policy in the area of complementary and alternative medical therapies... The professor has also served on a RAND Corporation expert panel for integration of complementary and alternative medicine into hospital practice. *University of Kansas*

Developments in the field of sustainable design in the College of Architecture, Planning and Design have the potential to shape the agenda for research and practice in this multidisciplinary field. The research work will describe, evaluate and advocate more integrative approaches to energy planning, economic development, transportation planning, architecture and urban design in order to create a built environment capable of being sustained on renewable energy flows. *Kansas State University*

The Engraving Arts Program benefits the art community as faculty and student produce pieces of art for display and sale. New techniques are being developed that will enhance the art community nationally and internationally. International artists have visited Emporia State University because of the endowed program. *Emporia State University*

The James R. Neff/John and Harriet Wiebe Chair of Orthopedic Surgery has a strong interest in resident and medical student education and has worked to expand research in the Department of Orthopedic Surgery, resulting in continually increasing research activity, numerous publications and national presentations. *University of Kansas*

The Verne and Helen Omer Professorship recipient is conducting ground breaking work in the areas of enterprise resource planning and logistics management that is having a direct impact on operations of the Wichita aviation sector. *Wichita State University*

Positions in the College of Veterinary Medicine have allowed the college to establish focused programs, such as our food safety and security initiatives. These programs make a significant economic difference to the state of Kansas. *Kansas State University*

The Hartley Professor of Nursing Leadership is an internationally renowned nurse leader in healthcare informatics. She is a member, and the only nurse, on the National Committee of Vital and Health Statistics, member of its Standards and Security Subcommittee in Washington, DC. *University of Kansas*

## **Board Recommendations for Program Improvement**

The Program has proven to be successful at increasing private gifts and attracting and retaining professors at participating institutions. The Program has also demonstrated success in enhancing the positive economic impact that participating institutions have on the State.

### **Legislative Recommendations**

According to statute, each July a transfer is made from the State General Fund of the interest earnings equivalent for Program gifts to the institutions for the period of the proceeding state fiscal year. No additional gifts can be certified by the Board when the July transfer is equal to or greater than \$5 million.

At the current level of investment and interest earnings equivalent, the Program will exceed \$5 million for state matching funds in FY 08 (payable to the institutions in FY 09). With the proven success of the program, the Board recommends that the earnings ceiling be raised to \$10 million effective upon publication of such legislation in the Register.

Over the Program's life, interest earnings equivalent rates have fluctuated, but have shown steady increases in the last three years. It has taken six years to reach \$5 million, and assuming an average of \$20 million in new gifts per year (the average of the three most recent years), and a 4% state interest earnings rate, it would take six additional years to earn \$10 million in state matching funds. Making the new amount effective upon publication in the Register would also eliminate concerns about the Board's legal authority to continue to certify gifts in the current fiscal year.

### **Program Evaluation Recommendations**

To assist the Board, Legislature, and interested parties in future assessment of the Program, the Board recommends that a standard reporting template be developed for institutions to report on Program activities and impact. This recommendation will be immediately instituted by the Board.

**Appendix**

This Appendix contains the prepared responses to the statutory evaluation criteria submitted by institutions.

Report on the Effectiveness of the Faculty of Distinction Program  
University of Kansas  
October 2007

The following report is in response to the Board of Regents request for an assessment of the effectiveness of the Faculty of Distinction program. This report addresses the two central questions noted below and incorporates examples from both the Lawrence campus and the Medical Center.

Key questions to be addressed:

- (1) the effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible institutions, and
- (2) the economic impact of the program on eligible educational institutions and the state.

The Kansas Partnership for Faculty of Distinction Program has served to provide a very attractive incentive to encourage donors to invest in the recruitment and retention of high quality faculty at the University of Kansas. The Faculty of Distinction Program has resulted in 48 new professorship funds established across all KU campuses in Lawrence, Kansas City, and Wichita. These professorship funds attracted \$44.8 million in new gifts from donors to establish permanent endowments for new professorships.

Of the 48 professorships that qualified for the Faculty of Distinction Program, 28 were funded by donors—both individual and corporate/foundation—from outside of Kansas. As a consequence, the Faculty of Distinction program served to attract to the State of Kansas \$34.9 million in gifts from non-Kansas donors. The balance of gifts—\$9.9 million—was contributed by Kansans.

Of the 48 new professorship funds, 22 were established by donors who were either making their first gift to the University of Kansas or a gift which was by far their largest gift to date for the benefit of KU. The 48 professorships were established in 36 different fields of study including disciplines as diverse as pediatrics, modern Jewish Studies, econometrics, ophthalmology, modern British history, nursing, financial markets, cancer, public opinion, rural health care, counseling psychology, spinal deformities, and many more. Six donors found the Faculty of Distinction Program so attractive as to make multiple gifts to establish additional professorships.

It is not uncommon for donors to be aware of "matching" or "leveraging" programs available for increasing philanthropic gifts. Some donors who established professorships under the Faculty of Distinction Program were familiar with comparable programs in place in other states which served to provide matching support for private funds contributed for faculty professorships, student scholarships, or capital building projects. By having the Kansas Partnership for Faculty of Distinction Program available, higher education in Kansas was in a position to demonstrate to donors that the State of Kansas is keenly interested in partnering with donors to make available professorship funds for faculty recruitment and retention.

Of the 48 new professorships, 35 have been filled and searches are underway for the remaining 13 positions. The following 10 reports on faculty in these positions are illustrative of the quality of the faculty filling the positions and the impact of their presence at KU and across Kansas, the nation, and the world.

**Victor Bailey, Ph.D., Charles W. Battey Distinguished Professor**

The appointment of Victor Bailey as the inaugural Charles W. Battey Distinguished Professor was an appropriate way of recognizing an exceptional faculty member and an effective means of retaining a leading scholar, teacher, and administrator in the KU Department of History. As Director of the Hall Center for the Humanities, Professor Bailey has been instrumental in bringing the Center to national prominence. He raised significant funds from federal and private sources to build the widely-praised new Hall Center. He has also been instrumental in altering the Hall Center's mission to include service to Kansas, through projects in the "public humanities." As a scholar of British History, Professor Bailey is the author of two path-breaking monographs, *Delinquency and Citizenship* (Oxford University Press, 1987) and *"This Rash Act"* (Stanford University Press, 1998). He has won fellowships from the National Endowment for the Humanities, the National Science Foundation, the American Philosophical Society, and the Nuffield Foundation. Professor Bailey is also a gifted teacher, having won the W.T. Kemper Fellowship for Teaching Excellence in 1999. He has helped bring the History Department to the top-25 national ranking that it enjoys.

**Bernard Cornet, Ph.D., Oswald Distinguished Professor of Microeconomics**

The availability of the faculty of distinction funds enabled the Department of Economics to successfully recruit Professor Bernard Cornet of the Sorbonne University, Paris. Dr. Cornet's presence as a faculty member at KU has greatly enhanced visibility of the Department, which in turn has enhanced the department's success recruiting high quality faculty members and graduate students. In his first two years at KU, Professor Bernard organized the first two major conferences hosted by the Economics Department at KU, bringing to Lawrence several hundred economists from around the world. Professor Cornet's presence has greatly enhanced the department's attractiveness to young scholars and its success rate for recruiting junior faculty has improved considerably in the past few years. Professor Cornet's biggest impact has been on the quality of the Economics Department's graduate programs. He spearheaded a modernization of the Ph.D. program and has brought a new level of excellence to teaching and mentoring at graduate level. Since Professor Cornet joined the faculty, the Economics Department has more than doubled the number of new Ph.D. students enrolled.

**Susan K. Harris, Ph.D., Joyce and Elizabeth Hall Distinguished Professor of American Literature and Culture**

The English Department was very fortunate to hire Susan K. Harris as the Joyce and Elizabeth Hall Distinguished Professor of American Literature and Culture in 2002. In an earlier search, when the salary offered was only the amount from the Hall endowment itself, KU was unable to attract the kind of nationally-known scholar that was needed for such a prestigious position. When the search was reopened with a considerably higher salary, using faculty of distinction funds, the applicant pool included several top scholars in the field and Professor Harris, the top choice for the position, accepted the offer to come to KU. Since coming to Kansas, Professor Harris has published a book and has another near to completion, and has published two edited editions of literary works for major national presses and nine articles. She won the Henry Nash Smith Award, a national prize awarded only once every four years, for her contributions to research on Mark Twain. She hosted a major meeting in her field at KU thereby introducing a number of other important scholars to the campus and the University. Her teaching has been equally outstanding; she was awarded the English Department's Mabel Fry Graduate Teaching Award in 2006, an unusual honor for a teacher who has been at KU for so short a time.

**Mabel Rice, Ph.D., Fred & Virginia Merrill Distinguished Professor of Advanced Studies**

This professorship is an example of the benefits of the Faculty of Distinction fund in support of research and scholarship of the Merrill Professor as well as helping leverage the research mission of the university more broadly. The award supplements the salary of the recipient and supports for the Merrill Advanced Studies Center, which is directed by the Merrill Professor. Professor Rice as the Merrill Professor has had considerable success directing the Child Language Program and garnering external funds in support of her research. Her work as Director of the Merrill Advanced Studies Center has further enhanced the research reputation of the College of Liberal Arts and Sciences as well as the University by providing a catalyst for collaboration. The Merrill Center has fostered national, regional, and local scholarly conferences that bring together leading scholars for the purpose of advancing scientific inquiry and university administrators to foster regional collaboration on jointly sponsored large scale research projects. For example, at the national level, in 2000 the Center sponsored a national meeting on the topic of a sustainable system of scholarly communication, leading to an agreement for research dissemination that was adopted by the Association of Research Libraries and the Association of American Universities. The Merrill Center has inspired collaborative research efforts and enhanced the reputation of the University of Kansas as a research university.

**Koleman Strumpf, Ph.D., Koch Teaching Professorship in Business Economics**

Professor Strumpf joined the KU School of Business faculty in 2006. His research interests are in applied microeconomics with an emphasis on policy applications. His current work focuses on P2P file sharing and other topics. He has been featured in major national newspapers (e.g., The New York Times, Wall Street Journal, Washington Post), and has appeared on various television and radio news programs (e.g., ABC News, Nightline and NPR). Dr. Strumpf's impact on the School of Business and the University is exemplified in his recently published research project related to the contention by music executives that the illegal downloading of music was hurting record sales. In Professor Strumpf's opinion, the evidence in support of this phenomenon was weak, and he began contemplating how to test the legitimacy of the music executives' claim. After crunching data on millions of observations, Professor Strumpf found no indication that illegal downloading affected retail sales. Dr. Strumpf said it was empowering to witness the feedback and to know so many individuals were interested in his research. Timely and relevant research on a matter of international notoriety, such as this, draws attention and acclaim to both the KU School of Business and the University.

**James Higdon, Ph.D., Dane and Polly Bales Professor of Organ**

The faculty of distinction program has enabled KU to retain Dr. James Higdon, Dane and Polly Bales Professor of Organ. Professor Higdon's major contributions include his recitals in the Bales Organ Recital Hall that attract large audiences from around the region, and the establishment of the Bales Organ Series that brings to campus outstanding guest performers, many of whom have international reputations. Professor Higdon continues his performance career in remarkable venues across Europe (including Notre Dame Cathedral) as well as the United States. These performances, combined with his work as an adjudicator in prestigious competitions, enable KU to attract extraordinary organ students. Many of these students and recent graduates have won prizes in national and international competitions. For example, Robert Horton, a 2003 graduate, recently won first place in an international competition in Kaliningrad, Russia. Six of Professor Higdon's students have been awarded Fulbrights and two



Rotary grants for international study. His outstanding work with KU students was recognized with a Kemper Teaching Award in 1997.

**Judith J. Warren, Ph.D, Ross C. & Christine A. Hartley Professor of Nursing Leadership**

As the Harley Centennial Professor in Nursing Leadership, Professor Warren continues her academic career at KUMC as an internationally renowned nurse leader in healthcare informatics. She is an expert on health policy related to uses of technology in national standards and security, health data classification, terminologies for the electronic medical record, nursing information systems and integration of clinical databases in educational curricula for health professions students. Dr. Warren came to KUMC in 2001 after roles in education and research at the University of Nebraska College of Nursing, University of Nebraska Hospital and Health Systems, the Medical College of South Carolina, and Kuakini Medical Center and the University of Hawaii School of Nursing in Honolulu, Hawaii. She is a member and the only nurse on the National Committee on Vital and Health Statistics, Member of its Standards and Security Subcommittee in Washington, DC.

**Jeffrey Holzbeierlien, M.D., Weigel Professor in Urology**

Dr. Holzbeierlien's clinical research interests focus on high-risk prostate cancer, sural nerve grafts, and the complications of androgen deprivation. After completing his internship and residency at Vanderbilt University and a fellowship in Urologic Oncology at Memorial Sloan Kettering Cancer Center in New York, he joined the faculty of KUMC. Dr. Holzbeierlein is a member of the Society of Urologic Oncology, the Southwest Oncology Group, and the South Central Section of the American Urological Association and is a fellow of the American College of Surgeons. He is a Diplomate of the Board of Urology and is also a member of the Young Urologists committee for the American Urological Association and the past chair of the Young Urologic Oncologists Section of the Society of Urologic Oncology. He is an assistant editor for the Journal of Urology, and he is a reviewer for Practical Reviews in Urology, Urologic Oncology and Cancer. He is on the editorial board for the American Journal of Urology Review.

**Terence E. McIff, Ph.D., James R. Neff/John and Harriet Wiebe Chair of Orthopedic Surgery**

Professor Terence McIff has a bachelor's degree in mechanical engineering and a master's degree in public and private management. He earned his doctorate in bioengineering in 1997 from the University of Strathclyde in Glasgow, Scotland. Dr. McIff conducted his doctoral research in Switzerland at the AO Research Institute, an internationally known center for research in orthopedic surgery, where he served as director of mechanical testing. Before coming to KU in 2000, he worked in the biomechanics laboratory of the Department of Orthopedics at the University of Iowa. He has a strong interest in resident and medical student education and has worked to expand research in the Department of Orthopedic Surgery, resulting in continually increasing research activity, numerous publications and national presentations.

**Jeanne Drisko, M.D., Hugh D. Riordan, Professor in Orthomolecular Medicine and Research**

Dr. Drisko has been instrumental in developing research projects in the area of complementary and alternative medical therapies, and plays an active role in education of medical students, nursing students, residents and practicing physicians. She has worked closely with Kansas legislators, the Kansas State Board of Healing Arts and the Kansas Medical Society to develop and pass laws and to define policy in the area of complementary and alternative medical therapies and has written numerous articles on the topic. Dr. Drisko recently served on the Institute of Medicine committee to define complementary and alternative medicine use by the American public and has served on a RAND Corporation expert panel for integration of complementary and alternative medicine into hospital practice. She trained under Hugh Riordan, M.D. in the therapeutic use of vitamins and minerals. This professorship honors his memory.

**Kansas Board of Regents  
Faculty of Distinction Program**

**Kansas State University Report on Effectiveness  
October 19, 2007**

Kansas State University has prepared the following report on the effectiveness of the Kansas Board of Regents Faculty of Distinction Program at our institution. Our evaluation is based on the two criteria specified by the BOR in the October 1, 2007 memo from BOR President and CEO, Reggie Robinson.

We collected data from each of the colleges in which Faculty of Distinction Professorships have been established to date and have summarized the responses into the two categories requested.

**Criteria One: Effectiveness of the program to increase private gifts and to attract and retain professors of distinction.**

Over the last few years, K-State has aggressively implemented several initiatives to increase faculty salaries for our high-performing faculty. These include targeted salary enhancements for professors at the associate and full professor levels, professorial performance awards for outstanding performance at the full professor level, and endowed professorships related to the Faculty of Distinction program. Over \$24 million in private funds have been raised since the Faculty of Distinction program's inception. As understanding of the program increases, giving will expand – evidenced by the fact that approximately \$10 million of our \$24 million total has been raised within the past 15 months.

Despite all of these efforts, faculty salaries continue to lag behind those of our peers. In fact, the **percent need for equity in faculty salaries at K-State** compared with those at other National Association of State Universities and Land Grant Colleges (NASULGC) institutions, **increased to 14.5% overall in FY 07** from 13.6% in FY06. Furthermore, **K-State salaries at every rank** are below those at other NASULGC institutions. To bring K-State salaries at all ranks up to the average of our NASULGC peers would require almost \$11M. When K-State salaries are compared to those of our Big 12 peers and to our five selected peers (Colorado State, Iowa State, North Carolina State, Oklahoma State, and Oregon State), we also are behind our peers at every rank. Consequently, the salary gap at K-State continues to widen despite our focused efforts, and it becomes increasingly more difficult to recruit and retain high performing faculty members.

Thus, the Faculty of Distinction Program is **absolutely critical** to our efforts to recruit and retain high performing faculty members.

At Kansas State University, the Faculty of Distinction Program has been effective in the following ways:

1. Provides salary supplements to assist in the recruitment and retention of high performing faculty;

2. Alerts faculty around the world to the vibrant environment in the colleges and at the university;
3. Attracts excellent young faculty who want to work with the nationally and internationally recognized faculty who hold these Chairs;
4. Serves as a catalyst for establishment of additional chairs by other donors;
5. Maximizes contributions from donors; donors feel they can make a greater impact;
6. Looks attractive to alumni who understand and appreciate the value of return on investment that this program provides;
7. Works well for estate planning and deferred giving;
8. Garners the attention and interest of potential donors via a high-profile program; and
9. Provides a mechanism to educate donors on need for faculty support.

Examples of the effectiveness this program has had on various colleges are included below.

The College of Architecture, Planning and Design:

- Retained a faculty member who was being heavily recruited to other schools.

The College of Agriculture:

- Hired an individual with experience to address the major issues facing the cow/calf industry in the state and the region. This topic is one of major research and teaching interest in the Animal Sciences and Industry department. The faculty member has significantly improved the research capacity of the unit by acquiring external funding for equipment that will permit improved data collection in multiple locations.
- Attracted an individual from industry with national and international experience in baking science technology development. This individual serves on 5 national or international committees in this area of research.

The College of Arts and Sciences:

- Recognized the outstanding leadership of and provided support to retain the department head in one of the university's premier science programs. This individual has gained national recognition as a Council for the Advancement and Support of Education (CASE) U.S. Professor of the Year for Doctoral and Research Universities. Only one such award is given each year.
- There are now four fully funded Faculty of Distinction Chairs in the college, and searches are underway to fill the other three positions. One position will be for an internationally acclaimed scientist in the area of Nano-Bio Science with a research emphasis in the condensed matter group. Another chair will provide a major leadership role and collaborate with cancer researchers in the Departments of Biochemistry, Chemistry, the College of Veterinary Medicine, and affiliated faculty with the Terry Johnson Center for

Basic Research. The third chair will support the retention of two key research faculty members in the Division of Biology as well as provide recognition for exceptional merit.

#### The College of Business Administration:

- In 1996, the college had no endowed chairs; they now have 10 fully funded Faculty of Distinction chairs, one chair in the process of being funded, and another one under discussion.
- Retained highly productive faculty through these salary supplements.
- Recruited new faculty members with national and international reputations in targeted disciplines that enhance the college's priority initiatives.

#### The College of Education:

- Retained the university's senior academic dean, dissuading him from pursuing offers at a number of other major universities.

#### The College of Engineering

- Prior to the Faculty of Distinction program, the College of Engineering had 4 chairs. Since the program began, the number of chairs has increased to 9. There are planned giving MOUs that will provide an additional 6 chairs sometime in the future to bring the total number of these chairs to 15.
- Retained a University Distinguished Professor (UDP) who had received lucrative offers at more prestigious schools. In this same department we have hired seven young faculty who have won the prestigious NSF Career Award. Most of these faculty members came to K-State because they wanted to work with this Faculty of Distinction Chair.
- Hired additional faculty to sustain a 35% increase in student enrollment over the last decade to almost 800 students. Without this additional resource both of the programs in the department were in jeopardy of losing their accreditation. These additional resources have had a positive and lasting impact on our ability to attract and retain quality faculty and students who are seeking a quality education from a top 10 program.

#### **Criteria Two: Economic impact of the program on the institution and the state.**

As stated earlier, K-State's faculty salary problem is long-standing and monumental in size. Despite annual investment of scarce tuition resources in targeted faculty salary enhancement programs and infusion of additional private and state funds from the Faculty of Distinction program, our faculty salaries continue to lag behind any reasonable comparison group. In fact, the most recent information shows we rank last in the Big XII and 43<sup>rd</sup> of 50 land grant institutions who submitted data to AAUP and that our relative position worsened in the last year.

This context helps to explain how critical the funds provided from the Faculty of Distinction Program are to K-State. If we assume no new gifts and continuation of current financial conditions, about \$2.4 million per year from this program will be used for faculty salaries - a very significant resource when considered with K-State's faculty salary needs.

Examples of the economic impact that various Faculty of Distinction Chairs are making are included below.

#### The College of Architecture, Planning and Design:

- Developments are in the field of sustainable design. These developments have the potential to shape the agenda for research and practice in this multidisciplinary field. The research work will describe, evaluate and advocate more integrative approaches to energy planning, economic development, transportation planning, architecture and urban design in order to create a built environment capable of being sustained on renewable energy flows. This is important to the city, state, region, and nation and has significant economic benefit. The work will influence policy on campus, in the city of Manhattan, and in the state of Kansas. The research also will be integrated into coursework and will establish a unique identity for our graduate programs. Emphasis on this topic will lead to future benefit to the university, the state and the region.

#### The College of Agriculture:

- Both the beef and grain industries are extremely important to the Kansas economy. The Faculty of Distinction Chairs bring high levels of expertise to these two areas. The internationally recognized expertise will open new channels of knowledge and funding in both areas.

#### The College of Arts and Sciences:

- Graduates from the college contribute to the workforce in a broad range of employment sectors in the state. Recruiting and retaining high performing faculty is essential to ensuring that our graduates are well prepared to contribute to the multitude of jobs they can fill in our state.

#### The College of Business Administration:

- Many graduates of the college continue to live and work in the state, and many alumni have founded, or are executives in various Kansas-based businesses that employ large numbers of Kansas citizens. Faculty who teach these students will have strong influence on the Kansas economy of the future. They will help prepare tomorrow's business leaders to pursue their business careers and entrepreneurial endeavors to the benefit of Kansas and its economy. They will not only train our students for the jobs of tomorrow, but also will retrain citizens to meet new job challenges in the fluid environment of today's corporate marketplace. The Kansas economy will be enhanced through a better educated work force. The renowned faculty who are hired will provide the intellectual capital to generate ideas and stimulate business development and growth. Teaching and research promote innovation and entrepreneurship in business and industry, which will invariably lead to sustained economic growth in Kansas. These faculty are involved in the transfer pure research to applied research and eventually to practical application. They are active in pursuing external grants and contracts, which are important to the competitiveness of the college and university, as well as the state's economy.

#### The College of Education:

- The college has attracted more than \$15M in new grants in programs that the retained dean originally initiated. The retained dean has successfully completed the college's commitment to a \$10M goal in the present capital campaign. Both of these accomplishments provide significant economic impact to the university, the city of Manhattan and the state of Kansas.

#### The College of Engineering:

- One chair supports the Director of the Minority Engineering Program (MEP). The director has worked very closely with members of the MEP Advisory Council to develop opportunities for various levels of employment for our students of color. Additional support from industries and private donors has provided funding for the MEP student organizations to attend professional meetings, regional and national student organizational meetings.
- The young faculty members who were mentored by one of the Faculty of Distinction Chairs have received significant federal and industry funding. The sum total of extramural funding for this group of young faculty is in excess of \$16 million over eight years. If you use a multiplier of 2.5, this has an impact on the local economy of \$40 million.
- The two Faculty of Distinction Chairs in the Construction Science program are vital to the excellent reputation this program has achieved. It is one of only 17 ABET accredited programs nationally and has the second largest enrollment nationally. Students average 2.7 employment offers prior to graduation, and over the last decade 100% of the students have accepted offers, with 50% of the students taking jobs in Kansas. Their average starting salaries are \$45,000 to \$55,000. More than 65,000 workers are employed in the Kansas construction industry, and in 2006, construction contributed \$4B to the state GDP total of \$112B. Small businesses are a big component of the construction industry. Kansas had more than 8,000 construction establishments in 2005, of which 92% employed fewer than 20 workers. In addition, Kansas had 17,476 construction firms without employees, mainly sole proprietorships, in 2005. Thus, having high quality faculty who teach these students is critical to the state's economy.

#### The College of Human Ecology:

- The college is in the process of filling the Faculty of Distinction chair. The criteria for selection of the person to hold this chair include being in a field that fits with the strategic themes of the college and that will contribute to the economic well being of the state.

#### The College of Veterinary Medicine:

- These positions have allowed the college to establish focused programs, such as our food safety and security initiatives. These programs make a significant economic difference to the state of Kansas.



WICHITA STATE UNIVERSITY

*Office of the Provost and Vice President for Academic Affairs and Research*

October 10, 2007

Dr. Reggie Robinson  
President and CEO  
Kansas Board of Regents  
1000 SW Jackson St., Ste. 520  
Topeka, KS 66612-1368

Dear Reggie,

Please find attached the report of the impact of the Faculty of Distinction Program for Wichita State University. As you can see, this program has been extremely successful for us. We believe that it is one of the best examples of how state funds can be leveraged to secure private support for higher education. We appreciate the opportunity to provide this report, and we are prepared to assist you in any way in your work to secure a continuation and possible expansion of this program.

Sincerely,

Gary L. Miller  
Provost  
Vice President for Academic Affairs and Research

C: Don Beggs  
Elizabeth King, WSU Foundation

Attachment

OCT 23 2007



## Wichita State University

### Impact of the Faculty of Distinction Program

October 19, 2007

A central element of the urban serving research mission of Wichita State University is to promote economic growth, workforce development and creative outreach for the public good. This mission is accomplished by attracting, retaining and nurturing outstanding and productive faculty. Since its inception in 2000, the Faculty of Distinction Program, an innovative partnership with the State of Kansas, has been transformational in supporting Wichita State University's mission.

#### 1. Effectiveness of the Program to Increase Private Gifts.

No partnership has been more effective at generating donor interest in and outright contributions for mission-critical academic programs than the Faculty of Distinction Program. Prior to the inception of the program in 2000, the WSU Foundation had secured only seven endowed professorships and chairs for university programs. Currently, primarily because of the matching funds provided by the program, the university hosts twenty-five endowment-supported professorships and chairs of which eighteen were created within the Faculty of Distinction Program. Six of the eighteen Faculty of Distinction positions were dedicated to new positions in high-demand fields. The other positions have been used to retain high-impact faculty members in critical research areas in business, engineering, science, health and the arts. The total amount raised to date by the WSU Foundation for professorships and chairs through the Faculty of Distinction Program is: \$17,227,362. Of this amount, \$15.9 million was raised during the recently concluded three-year **We Are Wichita State Campaign**, representing almost one-third of the over \$48 million raised to support scholarships, fellowships, professorships and chairs. As a result of the successful campaign, the Foundation now provides over \$340,000 annually in support of distinguished faculty.

#### 2. Economic Impact of the Program on Institution and State.

Wichita State University supports the economic growth of Wichita and Kansas through the activities of its faculty in partnership with business, industry and education. By recruiting and retaining faculty working in critical areas through the Faculty of Distinction Program, the university has dramatically increased its impact in Wichita and the region. Following are just a few examples of important work being conducted by members of the faculty supported by the Faculty of Distinction Program in support of economic development, community well being and education:

- Dr. Suhair Abdinnour-Helm (Verne and Helen Omer Professorship) is conducting ground breaking work in the areas of enterprise resource planning and logistics management that is having a direct impact on operations of the Wichita aviation sector.
- Dr. Debra Ballard-Rausch (Kansas Health Foundation Distinguished Chair in Strategic Communication) studies the relationship between communication and health care access and delivery in Kansas.
- Dr. Klaus Hoffman (Marvin J. Gordon Distinguished Professorship in Engineering) studies fluid dynamics, hypersonics and biomechanics in support of aviation.

- Dr. Clyde Stoltenberg (W. Frank Barton Distinguished Chair in International Business) conducts research on the application of trade law and regulations to international business transactions, with current emphasis on the U.S.-East Asia context and trade in services.
- Dr. Gaylen Chandler (W. Frank Barton Distinguished Professor in Entrepreneurship) studies opportunity identification and new venture development processes.

Other Faculty of Distinction contribute to our understanding of Kansas History, global economics, the history of science, the psychology of learning, applied mathematics and music.

In addition to these positions, recruitment is underway to fill new Faculty of Distinction in the area of Engineering (H. Russell Bomhoff Endowed Professorship and Sam Bloomfield Chair in Engineering); Communication (Oliver and Betty Elliot Professorship in Communication); and health (Janice M. Riordan Endowed Professorship in Maternal Health in the College of Health Professions). The Riordan Professorship represents one of the first within any School of Nursing in the country to focus on issues of pre- and post-natal issues related to mothers and infants.

The work of these faculty in the classroom and in their research fuels commerce, supports community health and increases understanding. For Wichita State University, the Faculty of Distinction Program has been an unqualified success in support of its mission in Kansas and the nation. Because it has potentially achieved its cap as stated in the original legislation, we are concerned about losing the opportunity to leverage with donors to create additional professorships and chairs. In fact, two donors who have received proposals from Foundation staff, are waiting to make commitments depending on whether or not the Faculty of Distinction Program will be continued. We strongly urge legislators to maintain this strong, affirmative program in support of leading edge higher education in Kansas.

Faculty of Distinction  
Fort Hays State University  
Assessment of the Program  
October 18, 2007

The purpose of this report is to provide a brief summary of the impact of the Faculty of Distinction Program on Fort Hays State University's (FHSU) educational programming in particular and the state of Kansas in general. As stipulated in state administrative regulations, the focus of the report will be on the program's effectiveness in increasing private gifts, its ability to attract and retain faculty of distinction and the economic impact on FHSU and the state.

It is important to recognize that the resources needed by "smaller, regional institutions" to attract and retain individual faculty who have demonstrated excellence in teaching, research or creative activity or who have provided exemplary service to the university, their profession or the public through professional activity are more difficult to attain than at larger institutions. Without the Faculty of Distinction Program, the likelihood of finding the requisite faculty positions and salary dollars to match state monies at Regents regional, comprehensive institutions would be either unlikely or, at a minimum, very difficult to attract. **The Faculty of Distinction program is, therefore, perhaps even more valuable to smaller institutions in finding and keeping exemplary faculty than at larger, research institutions.** At FHSU, the Program has facilitated the establishment of two endowed chairs with a third endowed position in progress. This report will focus only on the endowed positions already in place.

The Anschutz Professor in Education

1. Appointment

Dr. Paul Adams serves as the Marian Pfister Anschutz Endowed Professor in the College of Education and Technology. The endowed gift in the amount of \$300,000 used to establish this position was received February 27, 2002 and was certified for matching funds on March 13, 2002. Faculty appointed to the position are designated the "Anschutz Professor in Education." A person appointed as the Anschutz Professor is required to spend 50% of workload in teaching, 25% engaged in scholarly activity and 25% scheduling activities for the unique one-room Plymouth Schoolhouse located on the FHSU campus. In addition, the position requires the appointee to assist with College of Education accreditation activities, special projects and grant writing related to science and mathematics. Dr. Adams has received three continuing appointments and currently serves as the 2007-2008 Anschutz Professor at a salary of \$80,884.

2. Effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible institutions

The Anschutz Professorship has attracted over \$37,000 in private gifts during the last two years. The monies have been used to support a Girls Science and Mathematics Camp and a new science and engineering initiative for young people. Mary Switzer has been the primary donor. The family of Maurice Witten, a long-time science instructor at FHSU, has transferred spending authority for a portion of the Witten Physical Science fund to support the growing FHSU Science and Mathematics Center in the College of Education and Technology. Approximately \$10,000 has been applied to the Center this year from the fund to be used by the Anschutz Professorship.

Almost four years ago, Dr. Adams had been asked to accept the co-director position for a new science and mathematics education center at Purdue University. Dr. Adams is a graduate of Purdue. Because of this connection and an attractive salary offer, Dr. Adams was poised to accept the new position. At the time, Dr. Adams was a professor in the FHSU Department of Physics and well-known for his expertise in science education. The availability of the endowed Anschutz Professorship and the enhanced opportunity it provided to conduct research and fund science education initiatives tipped the scales in keeping Dr. Adams at FHSU and in Kansas. It has also led to a unique appointment by allowing FHSU to assign a full physics professor to a line in the College of Education and Technology. This unusual opportunity opened the door to the creation of one of the few Science and Education Centers in a college of education in the Midwest.

3. The economic impact of the program on eligible educational institutions and the state

During his tenure as Anschutz Professor of Education, Dr. Adams has written eight major grants that have resulted in approximately \$1.7 million dollars added to state educational resources. Some of this funding has supported collaborative projects with school districts, other Regents institutions and the McRel National Education and Research Laboratory. Along with grant writing activities, Dr. Adams has generated economic impact on the state through contract activity with Purdue University and the Kansas Parent Involvement Resource Center in the amount of \$27,000. These monies have been used to compensate faculty who assist with evaluation requests and programming sponsored by the College of Education and Technology's Science Education Center.

Finally, the original gift of \$300,000 with the equivalent state match will produce \$20,339 in faculty non-salary operating support for FY07. These monies are used to support the non-salaried operation and activities of the Anschutz position. Over the five year life of the original gift and the Faculty of Distinction match, almost \$81,000 in investment income (combining income generated by the corpus of state and gift monies) has been generated for the state in support of higher education.

## The Omer G. Voss Endowed Professorship in Leadership

### 1. Appointment

Dr. Curtis Brungardt is the 2007-2008 Voss Endowed Professor and an associate professor in Leadership Studies. This is Dr. Brungardt's third continuing appointment to this endowed professorship. The monies used to establish this position were received in three installments. The initial gift in the amount of \$200,000 was received on June 24, 2003. The second installment was submitted in the amount of \$100,000 on February 25, 2004 with a final gift of \$200,000 added on December 28, 2005. The total endowment now eligible for matching funds is \$500,000. The work distribution for this nine-month position includes a teaching load of 50%, scholarly research of 25% and administrative responsibility for the university's Center for Civic Leadership of 25%. Dr. Brungardt's nine month salary for this year is \$75,849. He also receives a \$5,000 summer salary for teaching one course and maintaining the work of the Center.

### 2. Effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible institutions

The Voss Professorship has been effective in generating approximately \$300,000 for FHSU leadership programming and educating citizens for democracy. This includes grant dollars from the National Corporation for Community Service, the Kansas Healthcare Foundation and private monies from Kansas McDonald's restaurant operators/owners and Sunflower Bank. Much of the \$300,000 has been used to support the Kansas Youth Leadership Academy (KYLA) endorsed by Governor Sebelius and administered by the Center for Civic Leadership. Faculty non-salary operating support (the investment income generated by the original gifts and matching state monies) have supported a wide array of campus civic engagement and citizenship education projects beyond KYLA including (1) Leadership On and Off the Field: Leadership Development for the Student Athlete (supported by former Kansas State University football coach Bill Snyder); (2) the Ben Franklin Papers Project (based on two original Franklin letters donated to FHSU); (3) the Kansas Women's Leadership Conference; (4) publications in the Journal of Leadership Education; (5) the expansion of FHSU service-learning; (6) Tigers in Service (a student led volunteer organization working on projects across the country); (7) development of a new course entitled The Seven Revolutions in partnership with the American Association of State Colleges and Universities (AASCU) and the New York Times; (8) a 240 multi-campus initiative designed to provide citizenship education for undergraduates known as the American Democracy Project (ADP); and (9) initial work on a concept paper requested by Regents' Chair Christine Downey-Schmidt that focuses on the establishment of a student volunteer organization called the Kansas Corps.

Dr. Brungardt has a long and distinguished career in developing leadership studies education dating back to 1992. He continues to receive invitations to apply for existing and emerging leadership studies programming and citizenship education from many institutions, most notably Kansas State University and Marietta College. The creation of the Voss Endowed Professorship has been instrumental in keeping Dr. Brungardt at

FHSU and in Kansas. In fact, it is his contention that he is not only a professor at FHSU, but a professor for the entire state of Kansas by virtue of the endowed chair's impact on the entire state as reflected in the many programs supported, in part, by Voss non-salaried investment income.

3. The economic impact of the program on eligible educational institutions and the state

As noted in item two, Dr. Brungardt has been able to leverage the Voss Professorship into \$300,000 in grants and private monies for FHSU and Kansas educational programming. In addition, the original gifts and state matching funds have resulted in approximately \$36,231 in faculty non-salaried operating support that would not have been available for programming unless the Faculty of Distinction Program was in place to help eligible educational institutions.

### Summary

At FHSU, the Partnership for Faculty of Distinction Program has generated \$800,000 in original endowed gifts (not including state monies) and \$56,570 in faculty non-salary operating support monies for FY07. When combined, the Anschutz and Voss Professorships have produced approximately \$140,000 in investment income over a five-year period (including FY07 net available). In addition, the investment income associated with the two endowed positions has been leveraged to produce another \$2.1 million in grants and private monies. These are dollars devoted to education the FHSU and the state of Kansas might not have had otherwise if the program were not available. Indeed, it is clear that the Faculty of Distinction Program represents more than a budget expenditure. It is truly an investment in the future of the entire state educational system.



# Pittsburg State University

OFFICE OF ACADEMIC AFFAIRS

October 22, 2007

Dr. Reginald L. Robinson, President and CEO  
Kansas Board of Regents  
1000 SW Jackson, Suite 520  
Topeka, KS 66612-1368

Dear President Robinson:

In response to your letter of October 1, 2007, regarding the impact of the Faculty of Distinction program, I offer the following information on behalf of Pittsburg State University.

**Context:**

It should be noted that while we have had conversations with several donors about the Faculty of Distinction program, up to this point in time only two such donations have been made. This modest progress in utilizing these funds to date may cause one to believe that the program is not very important to us, but in reality, that is not the case. We believe that having continued and increased access to this type of funding will indeed prove critical in recruiting and retaining highly qualified faculty.

**Effectiveness of the program to increase private gifts:**

The program did enable the university to pursue a gift that supported the hiring of an international business professor--our first. Without the additional salary dollars provided by the Faculty of Distinction program, it is very unlikely we would have been able to make this hire. The ongoing support offered by the program makes it much more likely that the professor will remain on our staff in the years to come.

**Economic impact of the program:**

Because we have only two Faculty of Distinction positions currently in place, the economic benefit is minimal.

**Other appropriate factors:**

While it has taken some time for the university to create attention for this program in our donor base, we do believe that in the future there are good possibilities of expanding the number of Faculty of Distinction gifts. We would be very disappointed to see these funds limited, as our work to communicate and sell the concept is likely to be just now paying off.

I apologize for not having additional comments on this program, but as you can see our progress thus far is somewhat limited. Please let me know if you need additional information or if our comments need clarification.

Sincerely,

A handwritten signature in dark ink, appearing to read "Steven A. Scott".

Steven A. Scott  
Vice President for Academic Affairs

tp



### Faculty of Distinction Program

The Faculty of Distinction Program has allowed Emporia State University to leverage the funds for additional gifts. For example, the Endowed Chair for the Engraving Arts is not fully funded but we used the initial gift to seek additional endowments which were recently received. Together we are closer to fully funding the program with private gifts. This fall we hired our first Endowed Chair for the Engraving Arts.

The two Faculty of Distinction Programs at Emporia State University are in their beginning stages so long term economic impact has not been achieved. However, additional students are enrolled in the programs bringing additional revenue to the university and Emporia community. The Engraving Arts Program benefits the art community as faculty and students produce pieces of art for display and sale. New techniques are being developed that will enhance the art community nationally and internationally. International artists have visited Emporia State University because of the endowed program.



M E M O R A N D U M

# JCCC Foundation

Johnson County Community College  
Foundation Office  
262 GEB, Box 25  
12345 College Boulevard  
Overland Park, Kansas 66210-1299  
(913) 469-3835

Date: October 19, 2007

To: Reginald L. Robinson, President and CEO  
Kansas Board of Regents

From: Dr. Terry Calaway  
President  
Johnson County Community College

## Re: Faculty of Distinction Report

In response to your request for a report on JCCC's participation in the Faculty of Distinction program, we prepared the following answers to those questions you posed in your memo of October 1, 2007. Specifically you wrote:

"According to the statute (KSA 76-776), your reports must evaluate the Faculty of Distinction Program based on the following criteria:

- 1) the effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible institutions,
- 2) the economic impact of the program on eligible educational institutions and the state, and
- 3) other appropriate factors specified by the Board of Regents." (We understand, from staff at the KBOR, that this final criteria isn't applicable to community colleges.)

Our evaluation is as follows:

- 1) **the effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible institutions,**

### Supports First Endowed Professorship

The Zamierowski Endowed Professorship for Nursing and Medical Simulation is the first endowed professorship in the history of JCCC. The establishment of this endowment followed

their \$750,000 lead gift to create a patient simulation lab to benefit the nursing program. Once the commitment to endow a professorship was made by the donor, the KBOR's Faculty of Distinction Program was utilized to reinforce the donor's motivation in making such a pledge. From the donor's perspective, it is reassuring to know that the KBOR is wholeheartedly behind such support at the community college level and demonstrates it by contributing to the purpose of the gift. In this way, the Faculty of Distinction Program was incredibly effective in helping us secure the contribution.

As an institution, we currently utilize every opportunity to promote the endowed professorship as well as the KBOR's role in supplementing its salary. We believe this success story will help us attract future endowed professorships. Most importantly, in this case, KBOR support inspired greater "buy-in" from Dr. Zamierowski which led to discussions of future revenue possibilities to help enrich our nursing program.

Endowed professorships at the \$750,000 amount are uncommon at the community college level. It is our hope that awareness of this professorship, and the support it receives from the KBOR, will not only help attract future faculty for our nursing program, but more importantly keep them on staff as the salary disparity between the teaching nursing faculty and the private sector grows.

**2) the economic impact of the program on eligible educational institutions and the state, and...**

Created a New Position

The endowment funds managed by the JCCC Foundation generate an annual payout in the neighborhood of 5%, therefore, the \$750,000 donated by Dr. Zamierowski will result in \$37,500 toward funding the professorship. The costs of the Endowed Professorship are \$68,762 for salary and \$22,692 for benefits. The JCCC Foundation payout combined with the KBOR disbursement totals \$58,841 or 86% of the total salary cost for the position. Clearly, the Faculty of Distinction Program serves to close the gap between the endowment returns and the cost of the program. Consequently, the Faculty of Distinction program helps make this position feasible for JCCC.

Better Utilizes Simulator

Ultimately the very existence of the position, supported by the Faculty of Distinction Program, may create the most significant economic impact. Often nursing programs are able to purchase a patient simulator, whose cost is in the \$200,000 category, but fail to fully utilize all that it has to offer because the program lacks the capability to properly staff it. This experience is similar to the way a Microsoft computer user seldom utilizes more than a small fraction of the software's capabilities. When such a failure occurs with a personal computer that costs several hundred dollars, it is inefficient. When such a failure occurs with a patient simulator that costs \$200,000, the ramifications are a tragedy. In many cases, the simulator morphs into the antiquated mannequin, the type that's been used for decades. Consequently, the simulator is under utilized and the student under achieves. The dollars invested in the simulator are wasted; and a magnificent learning opportunity is lost. Considering the nationwide crisis in educating more high quality nurses to accommodate future needs, such misuse of opportunity is intolerable.

### Increases Enrollments

The endowed professorship allows Professor Carver to concentrate full time on simulation teaching, research and evaluation and allowed the nursing program to hire another full-time faculty member, increasing the total number of full-time nursing faculty from 13 to 14. Her role in the simulation lab will help add nine new students each year as well as double the enrollment for the RN Refresher Program from 24 to 48 students a year.

### Enhances Utilization of the Lab

The full time focus has allowed Kathy Carver, the first Endowed Professor at Johnson County College to participate in developing and using evaluation tools; implementing for faculty an orientation course for simulation; designing a course that integrate the use of Human Patient Simulators in conjunction with the material being taught; collaborating with the Kansas State Board of Nursing to develop a library for Simulation scenarios that is available to all schools in the state; presenting at the National League for Nursing Education Summit on the topic of the "Use of Human Patient Simulators"; collaborating with the Kansas Board of Regents to offer statewide sessions on the use of human patient simulators in nursing education. This list of accomplishments is directly related to the time and support this Endowed Faculty receives from the college and state that allows her to focus her efforts entirely on this subject.

Professor Carver's focus is the new patient simulation lab. The lab will include four to eight multifunctional bed bays that can be configured as rooms in the ICU, emergency room, post-operative unit or medical-surgery unit. A larger area will be set up as an operating room or labor/delivery room. The new simulation lab will enable students triage and care for multiple "patients" at one time and work in teams, replicating real-world nursing practice. As a result, with such a facility supervised by a full time faculty member dedicated exclusively to maximizing the lab's potential, JCCC will serve a larger number of JCCC students in RN, LPN, EMT, respiratory care and RN refresher courses, not to mention students from other schools.

### Conclusion

Dr. Zamierowski said it best, "It is our family's hope that by enhancing the teaching of the faculty and the learning of the students, this program of medical simulations will further improve the quality of our graduates and benefit the entire community." Thanks to the Faculty of Distinction program, we're able to stand behind his comment.

From: "Edward Berger" <BergerE@hutchcc.edu>  
To: "Reginald Robinson" <rrobinson@ksbor.org>  
Date: 10/12/2007 3:52 PM  
Subject: Re: Fwd: Faculty of Distinction Report

CC: "Edward Berger" <BergerE@hutchcc.edu>, "Sue Darby" <DarbyS@hutchcc.edu>, ...  
Reggie-

I am not sure how formal that you wanted the report to be. Hutchinson Community College has received a gift of \$500,000 designated specifically for the program. The gift was timed to coincide with the Faculty of Distinction Program. The Program has allowed Hutchinson Community College to support a position in the Performing Arts that would have been vulnerable because of fluctuating enrollment. There is status attached to the position which certainly is an enhancement to filling the position. The Faculty of Distinction Program has not expanded beyond the single gift that Hutchinson Community College has received. The focus for Community College donations and fund raising, by necessity, is focused on scholarships and physical plant. If a donor has an interest in the Faculty of Distinction Program, we make him/her aware of the program. The size of gift to qualify beyond the first has not been received.

Reggie-  
If you need something that is in greater detail, let me know.  
ed

Expanding the tradition of excellence through learning and collaboration.

>>> "Reginald Robinson" <rrobinson@ksbor.org> 10/1/2007 12:08 PM >>>  
Good Afternoon, Ed & Terry ~

I hope you're doing well. Attached is an email I just sent out to university presidents and chief academic officers regarding the state's "Faculty of Distinction Program." While it is the universities that have taken most significant advantage of this important program, I understand that your institutions have has well. Given that, I would appreciate it if you could submit information for the required report as well.

Please let me know if you have questions. I hope this month is off to a great start for you. Take care . . .

Reggie

Reginald L. Robinson  
President and CEO  
Kansas Board of Regents

>>> Reginald Robinson 10/1/2007 12:03 PM >>>  
Good Morning,

I hope that you each enjoyed a nice weekend and that you're looking forward to a productive first week of October.

As you recall, during the September COCAO meeting, we discussed the need to produce a report that assesses the effectiveness of the Faculty of Distinction Program. The issue was also discussed during the COPs meeting last month. Attached is a memorandum that outlines the approach we agreed to employ in that regard. I think it's self-explanatory. Please let me know if you have questions. Thanks and take care . . .

Reggie

Reginald L. Robinson  
President and CEO



**Testimony to the  
House Education Budget Committee  
by  
Jerry B. Farley  
President, Washburn University  
March 25, 2008**

Thank you, Mr. Chairman and members of the House Education Budget Committee:

It is a pleasure to join you today to express our appreciation for the Kansas Partnership for Faculty of Distinction Program and to urge your support for the amendments to this program contained in SB 403. As you know, the amendment will raise the limit of the state's earnings equivalent from the current \$5 million to the requested \$10 million. This increase will enable us to continue to use the leverage of the state matching endowment earnings in soliciting endowment gifts in keeping with the statutory dollar magnitude and program limitations.

The program has been very helpful to us and helps support our private fundraising efforts by letting prospective donors know the earnings on their endowments can go even farther in supporting the institution. Through the end of fiscal year 2007, Washburn has benefited from the creation of four endowed funds, totaling in excess of \$1.7 million, with the earnings equivalent through this program of \$86,806. Growing recognition of this program on the part of donors has led to increased interest and donations. From two endowed professorships prior to its creation, we have added four, with more to be added this year.

We are pleased to report to you today, since July 1, 2007, three additional endowments, totaling \$1.0 million, have been established for which earnings equivalent dollars are being requested. These endowments are the Kurt M. Sager Memorial Professorship in the School of Law, the Henrietta & G. W. Snyder Professorship in Business, and the Dr. Jerry and Susan Farley Professorship in Leadership. Another endowed professorship in business is in progress and over \$350,000 in pledge balances to existing endowments is still to be recorded. When all these endowments are implemented, Washburn's endowed professorships supported by this program will be almost \$3.5 million.

It is likely the current cap will be reached, if not this year, then certainly next. Since the program's inception, public institutions of higher education have benefited from over \$90 million in private gifts. We urge your support for SB 403 to continue a successful program of benefit to all Kansans.

House Education Budget Committee

Testimony in Support of SB 403

By

J. Michael Lamb, MBA, CFRE

Vice President for Planned Giving and Development Services

Wichita State University Foundation

March 25, 2008

Thank you for the opportunity to testify in support of SB 403, and thank you to the legislature for originating this important tool. We appreciate the partnership between the public and private sectors, and the opportunity to advance higher education in our state.

Prior to the inception of the State's Faculty of Distinction program in 2000, the WSU Foundation managed seven endowed professorships and chairs for the benefits of the University. Now, eight years later, we have a total of 25 professorships and chairs of which 18 are Faculty of Distinction positions, ranging in size from the minimum of \$350,000 to \$3.3 million, with one additional professorship that has been established but has not yet reached the minimum. As of June 30, 2007, the total amount raised by the WSU Foundation for the Faculty of Distinction program is \$17,277,362, which was 19% of the total raised by Kansas public colleges and universities for this effort. Since this time, we have received an additional \$250,000 to add to a previously-established Faculty of Distinction position and we are expecting to receive the funding for a new professorship later this month.

Due to substantial private support, along with the recent higher-than-normal earnings rate (5.088%), this significant program is teetering on the point of capping out. The Kansas Board of Regents is supporting this amendment, which authorizes for the State contribution to increase from the current maximum of \$5 million to \$10 million. While we await the outcome of legislative discussions, however, our development staff at the WSU Foundation is being extremely cautious when speaking about this program with potential donors.

The Faculty of Distinction program has been an extraordinarily positive program to leverage private dollars for the purpose of attracting and retaining faculty. At this time, we have at least two donors who are waiting to be sure the program is expanded before they commit to creating professorships. Without this opportunity to enhance their gift through additional State funds, they may choose to give to another entity. Therefore, the Board of Directors of the WSU Foundation strongly supports any and all efforts to expand the State's Faculty of Distinction program.

Again, thank you for allowing me to testify in support of the proposed amendment to SB 403 and I would stand for questions.

House Education Budget Committee  
Date: 3-25-08  
Attachment #: 7

# JCCC

Johnson County Community College  
12345 College Blvd.  
Overland Park, Kansas 66210-1299  
913-469-8500 www.jccc.edu

In November 2006, David and Mary Zamierowski, Overland Park, pledged \$750,000 for the first endowed professorship in the history of Johnson County Community College. The gift created and helped fund the Zamierowski Family Endowed Professorship for Nursing and Medical Simulation.

That gift qualified JCCC to participate in the Kansas Board of Regents Faculty of Distinction program. Under this program, the state annually contributes a percentage (currently 5 percent) of the total award to supplement the faculty salary and provide additional operating support for assistance, travel, equipment or other expenses of the endowed professorship. The purpose is to increase private gifts and attract and retain professors of distinction for eligible educational institutions in Kansas.

The full time focus has allowed nursing professor Kathy Carver, the first Endowed Professor at Johnson County Community College, to participate in developing and using evaluation tools; implementing for faculty an orientation course for simulation; designing a course that integrates the use of Human Patient Simulators in conjunction with the material being taught; collaborating with the Kansas State Board of Nursing to develop a library for Simulation scenarios that is available to all schools in the state; presenting at the National League for Nursing Education Summit on the topic of the "Use of Human Patient Simulators"; and collaborating with the Kansas Board of Regents to offer statewide sessions on the use of human patient simulators in nursing education. This list of accomplishments is directly related to the time and support this Endowed Faculty receives from the college and state that allows her to focus her efforts entirely on this subject.

The endowed professorship not only has made it possible for Professor Carver to concentrate full time on simulation teaching, research and evaluation but also has allowed the nursing program to hire another full time faculty member, increasing the total number of full time nursing faculty from 13 to 14. Her role in the simulation lab will help add nine new students each year as well as double the enrollment for the RN Refresher Program from 24 to 48 students a year. Ultimately, these students will increase the number of nurses employed in Johnson County and Kansas City metropolitan area hospitals.

Dr. Zamierowski said it best, "It is our family's hope that by enhancing the teaching of the faculty and the learning of the students, this program of medical simulations will further improve the quality of our graduates and benefit the entire community." Thanks to the Faculty of Distinction program, we're able to stand behind this comment.

  
comes **first** at JCCC

*Sheila Graham*

Written testimony provided on  
behalf Kansas Association of  
Community College

House Education Budget Committee  
Date: 3-25-08  
Attachment #: 8

**K-12 Education: Reviewing Issues  
Related to Special Education Funding**  
*Summary of Findings*

**Question 1: What Percent of the Excess Costs of Special Education Are Districts and Cooperatives Reimbursed for, and Why Do those Percentages Vary?**

1. **In 2005-06, State categorical aid for special education covered between 45% and 207% of the excess costs of special education for 69 districts and cooperatives. [page 7]**
  - These results are consistent with findings from our 1998 audit.
  - That audit found that the percent of excess costs covered varied from 69% to 208%.
2. **Districts and cooperatives that spent more per special education student had less of their excess costs covered by categorical aid. [page 9]**
  - Districts and cooperatives with a low percentage of their excess costs covered:
    - were large districts, or cooperatives made up of larger districts.
    - spent more per special education student on direct costs, such as instruction, student support, and transportation.
    - had more certified teachers per 10 students, and paid higher average teacher salaries.
3. **Capping the amount of funding a provider could receive would allow money to be redistributed, but wouldn't eliminate the variation. [page 14]**

**Question 2: How Will Districts and Cooperatives Be Affected by Changes to School-Based Medicaid Funding?**

1. **Changes to Medicaid will cost districts and cooperatives almost \$2 million dollars in special education funding, starting in the 2007-08 school year. [page 16]**
  - Changes to school-based Medicaid are the result of two recent federal audits. Those changes include:
    - changing from a bundled rate to a fee-for-service rate
    - requiring a doctor's authorization for services
    - requiring a parent's authorization to bill Medicaid
  - The Consensus Revenue Estimating Group estimates the changes will reduce Medicaid funding from \$35 million a year to \$11.5 million a year (a 67% decrease).
  - Under the current school finance formula, the Legislature will replace 92% of this lost funding (almost \$22 million) with special education categorical aid.
2. **Because of how the lost Medicaid dollars will be replaced with State aid, some districts and cooperatives actually will gain funding. [page 17]**
  - The new categorical aid will be distributed based on the number of special education teachers employed by the district or cooperative, not the amount of Medicaid funding lost.
  - As a result, some districts and cooperatives will gain funding, while others will lose funding:
    - 31 districts and cooperatives will gain an estimated \$3.9 million in funding. (Tend to be suburban with little poverty)
    - 38 districts and cooperatives will lose an estimated \$5.8 million in funding. (Tend to be districts with high poverty.)

*Scott Frank*



**Kan-ed draft legislation  
Offered by Cox Communications.**

**Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES  
Article 72.--INFORMATION TECHNOLOGY**

**Same; purpose of act; purposes for which network not a provider.** (a) The purpose of this act is to provide for a broadband technology-based network to which schools, libraries and hospitals may connect for ~~broadband internet access and intranet access for~~ distance learning. For that purpose, the state board of regents shall contract in accordance with this act for the creation, operation and maintenance of such network, to be known as the KAN-ED network.

New Section (b) It is the public policy of the State of Kansas that the Kan-ed network shall not in any way compete with private entities for the provisioning of any product commercially available, including but not limited to, telecommunications services or commercial internet. The Kan-ed network shall only be used for: (1) interactive distance learning, (2) Interactive distance learning scheduling, (3) telemedicine applications for hospitals, (4) internet2 access, (5) point to point video, audio and/or video streaming for live or taped program distribution, (6) multi-cast video, (7) shared data base access for libraries, and (8) secure access data sharing for hospitals.

New Section (c) The network shall allow for the following features: (1) universal provider interconnection rights, and (2) competitively bid end-user Kan-ed connections.

(d) The network shall not provide for: (1) Impairment of any existing contract for the provision of telecommunications services or internet services to any school, library or hospital; (2) state ownership or construction of any network facilities other than those owned or being constructed by the state on the effective date of this act; (3) switched voice access, except to the extent switched access is being provided by state owned, leased or operated facilities as of the effective date of this act; (4) transmission of voice over internet or voice over internet protocol, except to the extent necessary to facilitate interactive two-way video; (5) use of the network for purposes inconsistent with the purposes of this act; or (6) an interconnection arrangement or agreement which acts as a barrier to providing service through either a technical standard or any financial requirement to connect to the public Kan-ed network.

*Scott Schneider*

House Education Budget Committee  
Date: 3-25-08  
Attachment #: 10

## Explanation of Language

### (a) & New Section (b)

Clarifies what functions the Kan-ed network can perform. By striking the phrase, “broadband internet access and internet access for distance learning” and including a comprehensive list the program should receive more certainty about their mission. These changes attempt to accomplish the following objectives:

- 1) *Clarifies Scope.*
  - a. Lists the services the Kan-ed network is authorized to provide. The list of services is taken from the original Kan-ed RFP and from the current Kan-ed enrollment form.
- 2) *Prohibits government competition.*
  - a. Creates an affirmative statement prohibiting the State of Kansas from selling or re-selling telecommunications services or commercial internet to accompany the negative prohibition found in old section (c)(1).

The 2006 Annual Report from Kan-ed stated compliance with the statute by, “avoiding competition with the Kansas telecommunications industry and impairment of contracts, as precluded by statute, by not providing commercial internet access.” This new language simply clarifies the existing language and codifies Kan-ed’s former practice.

### New Section (c)

This language codifies network requirements and market place protections.

- 1) *Interconnection Rights.*
  - a. By allowing interconnection rights, based on technical standards, all service providers have the opportunity to offer Kan-ed to their customers.
- 2) *Competitive Bid.*
  - a. Requiring a competitive bid for the end-user’s Kan-ed connection, ensures the school, library or hospital controls with whom they choose to do business.
  - b. It also continues the state public policy of supporting a competitive telecommunications market place. ( K.S.A. 66-2001(c) ensure that consumers throughout the state realize the benefits of competition through increased services and improved telecommunications facilities and infrastructure at reduced rates;)
  - c. Additionally, this language is a first step towards not allowing cross-subsidization of State SGF/KUSF money from competing against private risk capital.

### (d) (6)

This new language prevents the creation of a barrier to interconnecting to Kan-ed. The language specifically prohibits the creation of an unnecessarily difficult technical standard and prevents the service provider to pay to access the public Kan-ed network.



# KANSAS BOARD OF REGENTS

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Kan-ed

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March 21, 2008

Dear Kan-ed Network Provider,

It is a pleasure to contact you today with some substantial updates regarding the Kan-ed network. As many of you know, Kan-ed assisted the Division of Information Systems and Communications (DISC) with a Request for Procurement (RFP) to establish a new statewide layer 3 AVPN network. DISC and Kan-ed were diligent and followed all state and federal procurement guidelines and we have contracted in accordance with the Kan-ed statute. We even employed a neutral third-party network consulting firm to review the RFP responses. Kan-ed received four bids on the scope of work, and the winning solution was provided from AT&T.

Over the last few weeks, I have received many comments from cable companies, independent phone companies, and our Kan-ed members concerning the new network. There have been many discussions about what this new contract means for you and your customers, who are also Kan-ed connected members or wish to become Kan-ed connected members. Kan-ed members are established in statute as schools (K-12 and higher education), libraries and hospitals.

Upon initial completion of this RFP process, it was Kan-ed's intent to require Kan-ed members to connect to the private network using AT&T as the sole provider. After much discussion and assurances by the independent phone company and cable associations regarding their ability and willingness to support Kan-ed and meet peering/interconnect standards to connect to the new network, I have decided that it is in the best interest of the Kan-ed membership to continue to work with independent phone and cable companies to allow peering and establish interconnect standards. Establishing peering and interconnect standards will take much work and commitment by all, and I will need your commitment to work with AT&T and Kan-ed to establish these interconnects. I have come to believe that local members can be served best by their local providers, but the local providers must be willing to work with me to establish standards that will benefit our Kan-ed members and simplify connections across the State.

Kan-ed will work with you, AT&T, and our third party neutral network consulting firm Calence, LLC, to establish interconnect agreements for those companies that wish to aggregate and connect their Kan-ed members to the new statewide AVPN network provided by AT&T. In order to provide our Kan-ed members with the best service that they deserve, interconnect agreements will need to support QoS (business class of service), MPLS and other standards. We will be working with you proactively through an engineering initiative, on interconnect specifications as we move the Kan-ed network forward.

Kan-ed members will have the option of using direct AT&T connections to the Kan-ed AVPN network should they so desire. Kan-ed members can also elect to use internet service from AT&T if they desire, since it is part of the State contract. However, Kan-ed will **not** require the

use of a direct AT&T connection for either private network connectivity to the Kan-ed network or for commercial internet access. This is a fundamental change from past communications.

As we move through the process of identifying interconnect and peering standards, should a provider not be able to meet industry standards that are established as part of the interconnect agreement, Kan-ed MAY then require that the Kan-ed member use the AT&T direct connection solution in order to connect to the Kan-ed network.

I want to thank you for your service in the past, and I look forward to working with you in the future. If you have any questions, please feel free to contact me via e-mail at [bwilliams@ksbor.org](mailto:bwilliams@ksbor.org).

Sincerely,



Brad Williams  
Chief Information Officer  
Executive Director of Kan-ed

CC: President Reginald L. Robinson