



KANSAS BOARD OF REGENTS

Agenda Call
Fiscal Affairs and Audit Standing Committee
11:00 am, Tuesday, November 30, 2021
[Link to Zoom Meeting](#) or
Phone 312-626-6799
Meeting ID: 929 9799 2407

FAA AGENDA ITEMS FOR DECEMBER 15, 2021 BOARD MEETING

FACILITIES – DECEMBER 15, 2021 – CONSENT

1. Receive Report of FY 2021 Educational Building Fund Spending – System

The Board allocated amounts from the Educational Building Fund (EBF) to the state universities for FY 2021 in December 2019. As conditions change and circumstances warrant changes to projects, the universities now have the flexibility to re-allocate their EBF allocation to the highest priority or the most urgent projects. The Board will receive a report from the universities on how the funds were used last year.

The issue paper will be included in the Board agenda materials.

2. Act on Request to Raze Building – KSU

Kansas State University requests approval to raze the east ticket office, building #36700-00134F, at Bill Snyder Family Stadium. The 576 square foot building was constructed in 1998. Electrical service to the building is provided from a central electrical room separate from the building and there is no water service to the building. An asbestos survey is in process, but no environmental hazards are anticipated based on the age of the building. The building will be razed because it is within the site of the new indoor football practice facility, which will include improved ticketing and fan accommodations. The cost of razing the building is \$25,000 and will be financed from private gifts.

3. Act on Request for Lease Agreements – KSU

Kansas State University requests approval to enter into two lease agreements with affiliated corporations. Diagnostic Services of Kansas State, Inc., DBA KS Veterinary Diagnostic Laboratory (DSKS, Inc.) and Kansas State University Veterinary Clinical Outreach, Inc., DBA Veterinary Health Center (KSUVCO, Inc.) are controlled affiliated corporations of Kansas State

★ LEADING HIGHER EDUCATION ★

University, as defined by Kansas Board of Regents Policy II.D.9. In addition to these lease agreements, these entities have entered into agreements between the university and the affiliated corporations to clarify all related operating activities.

KSUVCO, Inc., was originally incorporated in 2007 to manage a referral veterinary clinic in Omaha, Nebraska. Fourth year Doctor of Veterinary Medicine students were taught in various rotations at the referral clinic. The University is transitioning the Manhattan Veterinary Health Center (VHC) to the affiliated corporation to allow the Manhattan VHC to operate in a more business-like capacity. Leasing the space occupied by the VHC from the University is part of this transition.

The University will enter into a five-year lease agreement with KSUVCO, Inc., for 86,579 square feet within Mosier Hall. The space will be used for treating veterinary patients and educating Doctor of Veterinary Medicine students. The University will lease the space to KSUVCO, Inc., at a rate of \$10 per square foot. The annual rental cost is \$865,790.

The College of Veterinary Medicine is also transitioning the Veterinary Diagnostic Laboratory (VDL) to an affiliated corporation to allow the VDL to operate in a more business-like capacity. The affiliated corporation that will manage the VDL is DSKS, Inc., incorporated in 2020.

The University will enter into a five-year lease agreement with DSKS, Inc., for 16,249 square feet within Mosier Hall to perform diagnostic services and testing. The University will lease the space to DSKS, Inc., at a rate of \$15 per square foot. The annual rental cost is \$243,735.

FISCAL – DECEMBER 15, 2021 – CONSENT

1. Act on EPSCoR Proposals

Draft issue paper is attached (Attachment A), as well as background on the EPSCoR program (Attachment B).

2. Act on Request for Market-Based Instruction Tuition Rate – KSU

Kansas State University requests approval to expand its contractual market-based education offerings in order to meet current academic knowledge and skill needs. The Board of Regents approved the university's original request to offer contractual market-based education at the March 2017 Kansas Board of Regents meeting. The initial request focused on providing educational opportunities for employers to meet the needs of their working professionals who were seeking enhanced job skills. Students were admitted to K-State as non-degree seeking students. This request would expand the opportunity to degree-seeking students.

The university recognizes that expanding contractual market-based tuition agreements could also benefit degree-seeking students and their employers. This would allow the university to enter into agreements with employers to provide their employees with the opportunity to improve skills related to specific academic areas that would directly benefit that employer. In addition, courses could be designed to meet the educational needs for specific categories of individuals including

the delivery of stackable credentials or badges demonstrating increasing competencies of a particular skill.

The tuition charged would be based on the characteristics of the market/industry to be served and the cost of executing the program. The Offices of the Provost and Chief Financial Officer will determine tuition rates based on the recommendation of the Dean of the college and other applicable administrators.

FISCAL – DECEMBER 15, 2021 – DISCUSSION AGENDA

1. Act on FY 2023 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities

The issue paper will be included in the Board agenda materials. No changes have been made to the universities' proposed rates that were presented in November.

FACILITIES – DECEMBER 15, 2021 – DISCUSSION AGENDA

1. Act on Allocation of FY 2023 Educational Building Fund Appropriation – System

The Board has responsibility for allocating the legislative appropriation from the Educational Building Fund in accordance with the legislative appropriation and Board policy. Staff will present recommendations on the allocation of the EBF for FY 2023 using the same allocation percentages as used in recent years.

The issue paper will be included in the Board agenda materials.

FAA COMMITTEE AGENDA

FAA Committee Meeting: Wednesday, December 15, 2021, 10:15 am
 Kansas Board of Regents' Office, Topeka

I. Old Business

- A. Approve minutes of November 17, 2021 committee meeting
- B. Follow up on issues raised during the teleconference call regarding FAA items on the Board's agenda and any other questions/clarifications

II. New Business

- A. **FAA 22-02** Staff Overview of Board's Capital Budgeting Process and Status of Campus Master Plans
- B. Board Agenda Items under Fiscal Affairs
- C. Review Proposed Regulations for Tuition Waiver Program (arising from enactment of [2021 House Bill 2021](#), an act concerning public safety officers, military personnel, prisoners of war and veterans, expanding educational benefits for spouses and dependents of such officers and personnel who are injured while performing service-related duties) (*Attachment C*)
- D. Capital Renewal Initiative (standing item)
- E. Audits for committee review and discussion (standing item)
- F. Other Committee Business

III. Other Committee Items of Consideration

Next meeting dates:

January 4 – 11:00 am, Agenda planning conference call
January 19 – 10:15 am Committee Meeting, Board Office, Topeka

February 1 – 11:00 am, Agenda planning conference call
February 16 – 10:15 am Committee Meeting, Board Office, Topeka