



KANSAS BOARD OF REGENTS

Agenda Call
Fiscal Affairs and Audit Standing Committee
10:15 am, Tuesday, November 2, 2021
[Link to Zoom Meeting](#) or
Phone 312-626-6799
Meeting ID: 929 9799 2407

FAA AGENDA ITEMS FOR NOVEMBER 17, 2021 BOARD MEETING

FACILITIES – NOVEMBER 17, 2021 – CONSENT

1. Non-Budgetary Legislative Item: Act on Request to Sell Real Property – ESU

Emporia State University is seeking approval to sell the Earl Center, which includes the real estate, building, paved parking lot, and any and all appurtenances thereto in the City of Emporia, Lyon County, Kansas. This property was gifted to the Emporia State University Foundation in 1999 by the Sauder Family Partnership. The Emporia State University Foundation deeded the property to Emporia State University in August 2001. The purpose of the building was to house the Department of Counselor Education & Rehabilitation Programs and the Jones Institute for Educational Excellence. The University has contacted the Sauder family and they support the sale of the property at this time, on the premise that it aligns with the direction of the University and that the proceeds ultimately benefit Emporia State University. While negotiations are in a very early phase, the University has received a letter of intent to purchase from the potential buyer. It is the University's intent to transact the sale in accordance with the Board's policy on the sale of real property and also requests permission to proceed with the sales transaction upon approval by the Kansas Legislature, only returning to the Kansas Board of Regents for additional authorization if the negotiated sales price is below the current appraised value of the property. *This item will appear as a non-budgetary legislative request, as the sale of the property requires legislative approval.*

2. Non-Budgetary Legislative Item: Act on Request to Sell Real Property – PSU

Pittsburg State University is seeking approval to sell an empty lot on the edge of campus. The land was originally acquired through purchase with parking funds and through a donation. The land was obtained to hold for potential expansion of adjacent parking areas. One of the sororities on campus has expressed interest in the lot for the construction of a new sorority house. *This item will appear as a non-budgetary legislative request, as the sale of the property requires legislative approval.*

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3. Act on Request to Raze Building – PSU

Pittsburg State University requests authorization to raze Biology Reserve Shed B, building number 38500-0051. The 1,690 square foot wood frame shed clad in Transite was built in 1940, prior to the property's 1949 transfer to Kansas State Teachers College of Pittsburg to serve as a veteran's vocational training center in agriculture. The site was known as "College Farm" until the 1960's when the Biology Department began managing and developing the property into the Natural History Research Reserve. The shed had served as storage for Biology and its Nature Reach Programs until maintenance ceased and the shed became unsafe. The cost of remediating and razing the structure is estimated at \$10,000 to \$12,000 and will be funded by departmental operating funds. The vacated area will be converted into green space.

4. Act on Amendment to the Fiscal Year 2023 Capital Improvements Request – PSU

Pittsburg State University requests permission to amend its FY 2023 capital improvement plan to reflect an increase in the total project cost for the McPherson Hall expansion (Simulation Hospital) and renovation project. The Board approved the architectural program in December 2020 with a projected \$6.0 million cost. Since that time, the design team has completed Design Development work. The inflationary pressures in construction projects, materials availability and cost, and various design decisions for the Simulation Hospital have resulted in a revised cost estimate of \$8.1 million. In addition to the program benefits of the Simulation Hospital, the project addresses a number of significant needs in the existing facility including high priority deferred maintenance needs (for example, replacement of all public restrooms and related plumbing in the facility) and safety improvements (adding fire sprinkler system for the entire facility). Design decisions were also made with operating and future maintenance costs in mind including the selection of a geothermal HVAC system for lower operating costs and a longer life than other available options.

Fundraising for the project includes \$6.0 million raised to date (\$5.3 million in actual receipts and/or written commitments, the remainder in verbal commitments in process of being documented). The University has strong support from additional donors and expects donations to increase well beyond the current amount, likely approaching the full project cost. The University will use reserves if necessary, to cover any remaining gap to the total project cost.

Program Statement is attached (Attachment A).

5. Act on Amendment to the Fiscal Year 2023 Capital Improvements Request and Approve Program Statement – KSU

Kansas State University requests approval to amend the FY 2023 capital improvement project plan and to accept the program statement for the West Memorial Stadium band hall. The project will include renovation of 13,649 square feet in West Memorial Stadium to create a dedicated indoor practice space for the KSU Marching Band. In addition to practice

space, the renovation will consolidate instrument storage, uniform storage and instrument repair which is currently done various in spaces across campus. The space is adjacent to the current practice field Marching Band utilizes which will allow for indoor and outdoor rehearsal areas and shelter from inclement weather. The project will include concrete flooring, extension of existing chilled and steam heat, sprinkler, fire alarm, electrical service, insulation, acoustic systems and finishings. The estimated project cost is \$4.5 million and will be funded from private gifts.

Program Statement is attached (Attachment B).

6. Act on Amendment to the Fiscal Year 2023 Capital Improvements Request and Approve Program Statement – KSU

Kansas State University requests approval to amend the FY 2023 capital improvement project plan and to accept the program statement for the Mosier Hall consolidated biomedical core facility research suite. Mosier Hall is part of the Veterinary Medicine Complex. The project will consolidate the four existing core facilities of confocal microscopy, molecular and cellular biology, flow cytometry and next-generation sequencing into a collaborative laboratory space in order to deliver efficient, coordinated services. The existing spaces occupied by these labs are inadequate in size, function, flexibility, and location.

In September 2018, the Board approved KSU's request for Phase 1 and 2 renovations to Mosier Hall. Phase 1 of the renovation created a new 270-seat auditorium and Phase 2 repurposed the existing Frick Auditorium to add a second floor within the space. The first floor of the existing Frick Auditorium was renovated to house the Pet Health Clinic. The second-floor space was left as shell space until additional funding for the Phase 3 research suite was identified.

In September 2021, the National Institutes of Health (NIH) awarded a grant to the College of Veterinary Medicine for the consolidated biomedical core facilities supporting a center on emerging and zoonotic infectious disease research. This funding will be utilized to complete Phase 3 of the original project by building out the existing shell space to create a 5,000 gross square foot research suite. The renovation will include interior fit out of the shell space and new mechanical equipment. Laboratory areas of the suite will be constructed to meet NIH requirements for Biosafety Level 2 space. The estimated project cost is \$3,430,993 funded from the NIH grant.

Program Statement is attached (Attachment C).

7. Act on Request for Acceptance of Real Property– KSU

Kansas State University requests approval to accept ownership of an 80-acre tract of pasture land near Colbert Hills in Riley County, Kansas. In September 2018, the Board approved a three-year lease-purchase agreement with the KSU Foundation. It was the intention of the KSU Foundation to gift the property to the University upon expiration of

the lease. Payment of \$280,000 has been made in full, from Department of Animal Sciences and Industry restricted fee fund balances, and the University requests acceptance of the property from the KSU Foundation.

8. Act on Amendment to the Fiscal Year 2023 Capital Improvements Request – WSU

Wichita State University requests authorization to amend the project budget for the Marcus Welcome Center Addition from \$3.4 million to \$4.0 million. Construction cost increases since the project was initially approved in June 2020 have increased the anticipated construction cost of the project. The original intent, scope, and objectives of the project remain consistent with previous approvals. The architectural program statement has been modified to reflect the current anticipated project budget.

The project is funded from a combination of private gifts and university funds. Advertisement for Architectural / Engineering services is anticipated to occur in November 2021.

Program Statement is attached (Attachment D).

FISCAL – NOVEMBER 17, 2021 – DISCUSSION

1. Receive FY 2023 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities (First Reading)

According to Board policy (Ch.II,D.1c.(i)(1), the state universities submit housing rate adjustments to the Board for first reading in November, with final action taken by the Board in December. Accordingly, all six universities submitted proposals which, if approved, will take effect for the Academic Year 2022-2023. Food service rate proposals are also provided in the same sequence, as a student cost that typically accompanies on-campus housing.

Each university describes in the respective documentation the business case for the proposed increases. Furthermore, each university provides summary financial information for its housing system. Generally, the proposed increases are driven by anticipated inflationary costs and facility maintenance and improvements. Documentation notes that the proposed increases were reviewed by the appropriate campus groups with student representation.

The university proposals are attached with a draft issue paper (Attachment E).

2. Act on Request to Amend Board Policy Related to Payment of Tuition and Fees

Draft issue paper is attached (Attachment F).

FAA COMMITTEE AGENDA

FAA Committee Meeting: Wednesday, November 17, 2021, 10:15 am
 Kansas Board of Regents' Office, Topeka

I. Old Business

- A. Approve minutes of September 15, 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. Board Agenda Items under Fiscal Affairs
- B. State University Faculty Salary Comparisons
- C. **FAA 22-01** Receive Overview of Board of Regents Budget
- 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:

November 30 – 11:00 am, Agenda planning conference call

December 15 – 10:15 am Committee Meeting, Board Office, Topeka

January 4 – 11:00 am, Agenda planning conference call

January 19 – 10:15 am Committee Meeting, Board Office, Topeka